C2910-2

© Entire contents copyright 1991 by Crain Communications Inc. All rights reserved

November 11, 1991

#BXBLLBG*******5-DIGIT 20814
WMZ
#040526692 5#01PI12326 99
STATISTICAL REFERENCE INDEX
4520 EAST-WEST HWY SU 800
BETHESDA MD 20814

Pensions & Investments

The Newspaper of Corporate and Institutional Investing

$9 An Issue/$135 A Year

AT DEADLINE

TSA Capital sold

TSA Capital Management has been sold to Mitchum, Jones & Templeton, which develops trading systems, and four TSA executives. Terms were not disclosed.

The sale by parent company CalFed Inc. comes after CalFed already had agreed to sell its trust operations to Northern Trust.

Equitable creates new unit

Equitable Capital Management is launching a unit that will provide services to defined contribution plans, said Mary Rudi Barneby, the division's newly named president.

Ms. Barneby joined Equitable Capital from Dreyfus Management, where she ran the defined contribution services division.

Management buys firms

Senior management has bought out Kennedy Associates and Kennedy Associates Real Estate Counsel Inc. from Babcock Prebond PLC. Terms were not disclosed. Jim C. Snyder, president of the firms, said the buy-out will give management increased performance incentives and more flexibility.

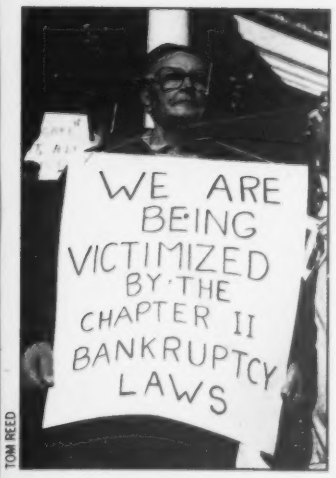
Investors buy private deal

The pension funds of Hallmark Cards and Readers Digest are among the investors in $40 million of perpetual convertible preferred stock of Western Gas Resources.

The funds are investors in the 1818 Fund, managed by Brown Brothers Harriman, which bought the private placement. The securities will be classified as

Continued on page 59

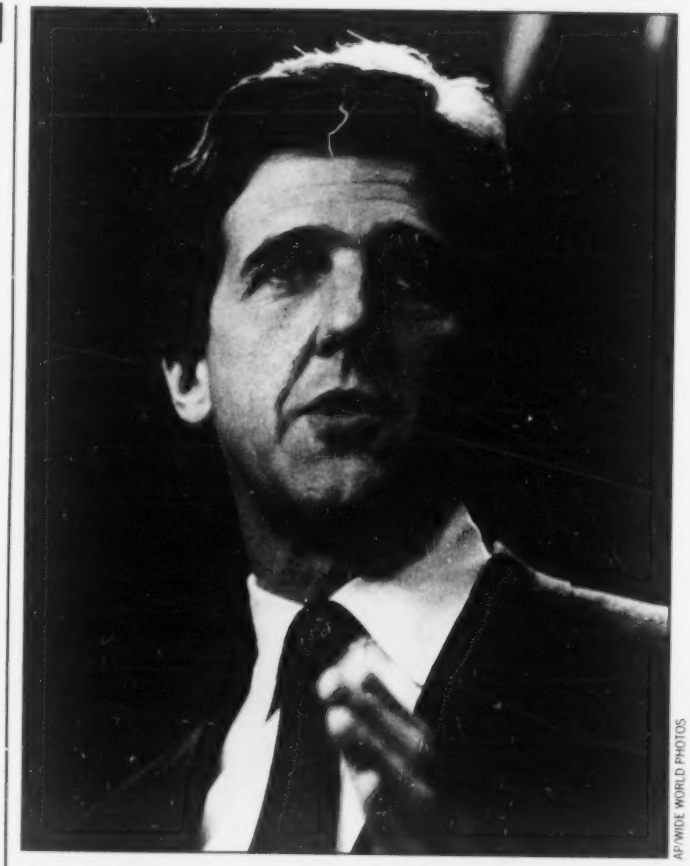
INSIDE



TOM REED

Breaking the LTV logjam

An LTV creditors' committee and the PBGC have hit on a novel compromise to pull the company from the depths of bankruptcy while protecting pension benefits that retirees demonstrated in favor of two weeks ago. Page 3.



AP/WIDE WORLD PHOTOS

Sen. John Kerry is proposing the fee to provide revenue for the hemorrhaging bank and savings and loan insurance funds.

Transfer fee stuns financial execs

Move would cost institutions billions

By Joel Chernoff and Fred Williams

WASHINGTON — Massachusetts Sen. John Kerry plans to propose an amendment to the bank reform bill that would impose a user fee on electronic and paper fund transfers that could generate $85 billion a year in revenue — and could add as much as $900 to the cost of the average wire transfer.

The user fee would be designed to bail out the depleted federal bank and savings and loan insurance funds and provide operating capital for the Resolution Trust Corp.

The little-noticed proposal, which would be assessed on tax-exempt and taxable entities and individuals, is generating intense concern among pension and financial executives.

"Anyone who uses large volumes of dollars is just going to get killed with this," said Gary Hughes, chief counsel-securities and banking for the American Council of Life Insurance, Washington.

Based on the two basis-point fee used by Sen. Kerry to calculate the $85 billion figure, corporations and institutions have estimated the following additional, annual costs: Occidental Petroleum Corp., nearly $17 million; the State of Wisconsin Investment Board, $22 million from money market transfers alone; the California state treasurer's office, $92.6 million; the Florida State Board of Administration, $144.5 million; the Oregon treasury, about $4 million; and the New Jersey Division of Investment, $58 million.

The user fee would shift the bailout to a pay-as-you-go basis, instead of permitting the U.S. government to continue borrowing money in the debt market. The Bush administration, however, strongly opposes going to a pay-as-you-go basis.

After the U.S. House of Representatives last week defeated a broad bank reform bill in the face of White House opposition, legislators are scurrying to pull together a narrower bill that would include recapitalization of the

See **Transfer** *on page 58*

Investors confused by economic moves

As the Federal Reserve Board again lowered its prime rate last week, institutional investors are cautious about the economy emerging from the recession but see investment opportunities.

Whether the sluggishness of late reflects a dip back to the depths of recession or just a delayed recovery is subject to debate, but most agree the economic situation has investors perplexed.

"I hate to sound like a broken record, but the real key word here is unsettled," said Robert Wilson, program manager for financial media relations at IBM Corp., Armonk, N.Y.

"It's very difficult to make predictions as to where we're headed," he said.

According to Steve Kaseta, deputy treasurer of the $6 billion Massachusetts Teachers' & Employees' Pension Fund, Boston, the trends aren't clear.

"The impression I get is we have pulled back in terms of the economic rebound following our emergence from the recession," he said. "That indicates we are moving into a slower growth period, and that may indicate a recession. It's a distinct possibility that we might" dip into recession again, he said.

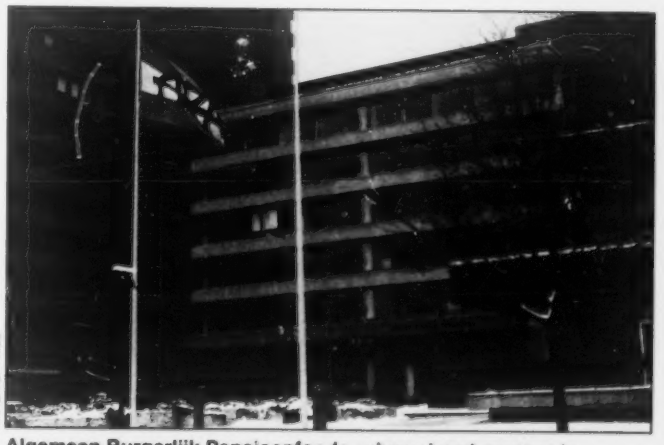
What's clear is that the Fed's lower rates have sent investors scrambling for better returns. Currently, a 4.75% bond equivalent yield on a 3-month Treasury bill is the lowest since 1977, according to Ian MacKinnon, senior vice president at the The Vanguard Group Inc., Valley Forge, Pa.. Those rates prompted an influx of new money into longer-term bonds, which now post a 300-point spread over short-term rates.

"Bond funds are clearly the growth winner. They have been growing dramatically all year," he said. "We're seeing $1 billion a month moving into the bond funds . . . (and) the lion's share is new money."

Fed policies are an important factor in the economy, most agree, although that is tempered by the large debt carried by companies, the government and individuals.

That debt load will delay the recovery, some think. According to Peggy Woodford Forbes, president of Woodford Capital Management Inc., New York, household debt ratios hover around 15%. In the recessions of 1973-'74

See **Economy** *on page 55*



MARGARET PRICE

Algemeen Burgerlijk Pensioenfonds, whose headquarters is shown, wants to move its foreign realty assets to an outside firm.

Going out of house

Dutch fund moving property portfolio

By Margaret Price

HEERLEN, Netherlands — The world's largest pension fund — the $94 billion Algemeen Burgerlijk Pensioenfonds — is negotiating to relinquish in-house management of much of its non-Dutch real estate by investing in Rodamco N.V.

Rodamco, a publicly traded, closed-end mutual fund company in Rotterdam, is a member of the Robeco Group of investment companies, also based in Rotterdam. ABP would use Rodamco for most foreign real estate investing.

Sources say the deal, which should be finalized in about two weeks, would inaugurate a major

See **Dutch** *on page 59*

NEWS DIGEST

THE TAMPA TRIBUNE

Cliff Hinkle, executive director of the Florida State Board of Administration since 1987, is leaving and plans to return to the investment business. Page 58.

SPECIAL REPORT: CONSULTANTS

Client demand and available technology are making consultants rethink their business plans. Page 17.

FINANCING

ServiceMaster's planned restructuring may prove a model for other master limited partnerships. Page 3.

INTERNATIONAL

Algemeen Burgerlijk Pensioenfonds will forgo internal management of its non-Dutch real estate. Page 1.

REAL ESTATE

Sam Zell's reputation may have helped convince investors to commit to his second vulture fund. Page 2.

Many commingled fund investors still will have trouble getting out of the vehicles next year. Page 50.

DEPARTMENTS

Classified	56	Hirings	51
Commentary	14	Opinion	12
Frontlines	9	Statistically speaking	46

Vol. 19, No. 24 — Pensions & Investments (ISSN 1050-4974) is published biweekly with a special edition in May by Crain Communications, Inc., 740 Rush St., Chicago, Ill. 60611-2590. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investments, Circulation Dept. 965 E. Jefferson, Detroit, Mich. 48207.

Manager Scoreboard poll in mail

Questionnaires for *Pensions & Investments*' annual survey of the growth of money managers will be mailed this week. The completed forms, to be used for a special report published Feb. 3, must be returned by Dec. 31. If you do not receive a questionnaire, or if you have any questions, contact Christine Philip, directory coordinator, at (312) 649-5217.

Maine voters protect assets

Amendment prevents raid on public fund contribution

By Marlene Givant Star

AUGUSTA, Maine — State voters overwhelmingly approved a constitutional amendment Nov. 5 barring the Legislature and governor from taking back budgeted contributions to the $2.3 billion Maine State Retirement System.

Some 70% of the voters approved the amendment, which said: "Funds appropriated by the Legislature for the Maine State Retirement System are assets of the system and may not be diverted or de-appropriated by any subsequent action."

Claude Perrier, executive director of the Maine fund, said the amendment "shows that people are tired of pension funds being raided."

He said although other states have statutes protecting assets, Maine's is unique: "I don't know that (the others) have a clause that protects appropriations."

In Maine's budget process, the retirement system every two years submits its request to be funded to the Legislature, which in turn appropriates the money. Last year in Maine and several other states, legislatures de-appropriated some of the contributions, lessening the amount available to pay down unfunded pension liabilities.

So far this year, $27 million has been taken back from Maine's appropriation. Mr. Perrier said the system is 50% underfunded.

About $55 million was appropriated for the Maine fund for the fiscal year ending June 30, 1992. ■

Realty fund raises $550 million

Zell's reputation attracts investors

By Steve Hemmerick

CHICAGO — Zell/Merrill Lynch Fund II, a vulture fund that will prey on troubled bank real estate portfolios, will close with $550 million mostly from pension funds.

Investors in Zell/Merrill are convinced many financially troubled banks will be forced to discount their swelling portfolios of non-performing properties.

The fund's success and news that three pension funds have made new real estate commitments and two others are seeking investments comes at a time when many institutional investors are doing little in real estate other than restructuring investments.

The "grave dancer" reputation of Sam Zell, a partner in the ZML II fund, has helped convince some pension funds to invest, according to Kevin Lynch, a principal with The Townsend Group, Cleveland, a real estate consulting firm. Mr. Zell, a multimillionaire, has made a substantial fortune by paying below cost for companies and properties in difficult markets.

"I have seen Sam Zell walk into board rooms, and if you are not impressed by the name, you are definitely impressed by the person when he comes in," Mr. Lynch said.

The ZML II fund was scheduled to close Oct. 15, but it was held open until Dec. 10 because some pension funds indicated they wanted to invest but needed more time for trustee approval, said Don Phillips, an executive vice president with Equity Financial and Management Co., Chicago, a private investment company owned by Mr. Zell and investor Robert Lurie.

The $5 billion pension fund of American Airlines Inc., Dallas, has allocated $10 million to the ZML II fund.

"We think (the Zell fund) has good capability to identify undervalued properties and manage and develop them for longer term appreciation," said William F. Quinn, president of AMR Investment Services Inc., which oversees the airline's pension fund. The pension fund has about 1% of assets in real estate.

DOUGLAS E. KONNOL

Townsend's Kevin Lynch is impressed with the success of Zell/Merrill Lynch Fund II.

Although the $800 million Contra Costa County Employees' Retirement Association, Concord, Calif., has decreased it target allocation for real estate to 12.5% from 15%, the system placed $15 million with the ZML II fund.

"They (ZML) did present a compelling story," said Patricia Wiegart, retirement administrator for the system. She said it was described to her as a "vulture" fund that will buy existing large office, retail and warehouse properties.

She said Mr. Zell is viewed as "very capable" at taking advantage of the current market.

"It's an attractive place to be with a portion of your real estate assets," said William Stephens, director of short-term investments and trust for Southern Cos. Services Inc., Atlanta, of the ZML II fund. The $2.5 billion pension fund allocated $18 million to ZML. Mr. Stephens said his fund didn't make the allocation based on the assumption that every real estate market has hit bottom.

"I think there is a lot of variability on where the bottom is at on a national basis, and that is why you need somebody with the expertise of a Zell/Merrill Lynch to be investing in low current re-

See **Zell** *on page 56*

GIC holders keep low profile

By Anne Schwimmer

Pension funds that own Executive Life Insurance Co. guaranteed investment contracts are walking a fine line to secure the greatest value for their holdings and protect that value from attacks from militant municipal GIC holders.

In effect, the Group Annuity Participant Protection Association — which represents $770 million of the approximately $1.1 billion in pension GICs — has put its fate in the hands of California Insurance Commissioner John Garamendi. The group wants to stay in Mr. Garamendi's good graces and give him the room to lure higher bids to acquire the failed insurer.

Last week, Mr. Garamendi rejected a bid from the National Organization of Life and Health Insurance Guaranty Associations for failing to meet financial criteria set forth in his conditional approval.

A source close to the pension GIC holders said Mr. Garamendi has told them to keep quiet about its opinion on the bidders.

"We went to (the commissioner) and said . . . 'We thought about doing something like (making an announcement)' and he said, 'Don't do it,' " the source said.

As a result, the GAPPA group is refusing to publicly say which bidder it prefers.

"We have no plans at this point to lobby for one bid over another," said Robert R. Evans, assistant treasurer at Xerox Corp., Stamford, Conn., and chairman of GAPPA's steering committee.

"The bids still end up being subject to modification and therefore if we say we like bid A over bids B and C, we would be putting ourselves in a box," he said.

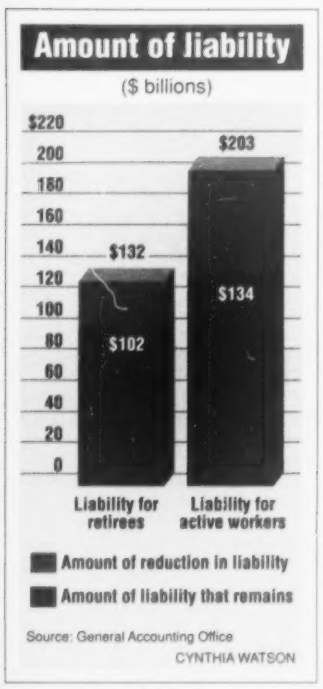
Mr. Evans declined to comment on whether the group had been asked by the commissioner to keep silent.

"I would say that basically we are disappointed that this didn't get resolved (last week). It could have been resolved . . . with the acceptance of the NOLGHA bid," Mr. Evans said.

He explained the NOLGHA bid would have provided the pension GIC holders with the most money upfront: 89 cents on the dollar.

He said the bid from the group led by Altus Finance, a unit of Credit Lyonnais, would give contract holders 86 cents on the dol-

See **GICs** *on page 59*



LTV pension pact may set precedent

PBGC securities protect shareholders

By Joel Chernoff

NEW YORK — The PBGC would provide downside protection to The LTV Corp. shareholders by issuing "contingent value rights" that would trade separately from LTV stock as part of a novel understanding reached with the LTV Steel Creditors Committee.

The rights would provide a maximum of $1.50 per share of protection to LTV shareholders if the stock traded at less than 90% of its value six months after the company emerges from bankruptcy protection. The Pension Benefit Guaranty Corp. would have a maximum exposure of $96.25 million.

Creditors of Dallas-based LTV are expected to receive mostly stock in exchange for their $6 billion in debt obligations as part of any plan of reorganization in the 5½-year-old bankruptcy case.

The issuance of securities by the PBGC was a key element in the deal, whose provisions would slice the LTV plans' unfunded liability nearly in half immediately, reducing it to $1.6 billion. That would enable the plans to continue, allowing the PBGC to avoid absorbing a huge loss while averting cuts in retiree benefits.

LTV and creditors also would make these concessions:

- The PBGC would buy $50 million in LTV common stock, giving the agency about 4% of the company's stock. The proceeds would be funneled by LTV into its pension plans. Some observers expressed surprise a government agency would purchase a chunk of a corporation.
- The PBGC would receive upside potential in the form of stock appreciation rights granted by LTV if the stock performs better than expected.
- LTV would contribute $126 million in employer common stock to its three restored steel-industry pension plans. The contribution would give the plans about 10% of the company's stock, based on an expected price per share of between $9 and $12 and issuance of about 110 million shares, nearly doubling the amount of common stock outstanding.

The prospect of the PBGC taking a significant financial stake in a $1 billion company left observers curious.

"I wonder whether getting a financial stake in a company in order to keep a plan afloat is part of their mission," questioned Seth Tievsky, principal, Ernst & Young, Washington.

"They get an A-plus for creativity," said Jim Klein, deputy executive director of the Association of Private Pension and Welfare Plans, Washington. "It's a rather novel approach to protecting taxpayers' interests in LTV."

Eric Lofgrin, a consultant with The Wyatt Co., New York, said, "It feels to me they are making the best of a bad situation. If it's got some atypical terms, that's all right by me."

The innovative terms are in addition to others reached earlier, that included LTV making an immediate cash infusion of $950 million into the plans, plus annual payments of $50 million plus 50% of cash flow above $50 million for the next 30 years to pay off the plans' $3.1 billion in unfunded liabilities. Also, some $400 million will come from other assets.

In addition, to cover a $250 million loss from the termination of the Republic Salary Plan, the PBGC would receive $270 million in 30-year, LTV zero-coupon bonds, plus a share of proceeds from an LTV trust and pending antitrust litigation.

The understanding requires approval from other creditors, the PBGC's board of directors, and U.S. Bankruptcy Court Chief Judge Burton Lifland.

A PBGC spokeswoman called the understanding "a major step forward," although agency officials declined to discuss details.

As an interim measure, Judge Lifland ordered LTV to fund three months' worth of benefits — some $39 million — into the nearly bone-dry Jones & Laughlin Hourly Pension Plan. The plan, which has an unfunded liability of $1.6 billion, was due to run out of cash Nov. 30. If that occurred, the PBGC would be forced to reterminate the plan, which might upset bankruptcy negotiations.

In addition, Judge Lifland told LTV to replenish the plan on a monthly basis through September 1992. The three-month cushion on top of one month's worth of payments already in the plan will ensure the plan will have enough assets to pay benefits through the end of 1992, giving the PBGC much-needed breathing room in negotiations.

The additional funding had been sought by the steel creditors' committee as part of the deal with the PBGC. The court order permits the steel committee to propose ending replenishment if certain conditions — including a $300 million investment by Sumitomo Metal Industries in LTV Steel and the sale of LTV's aerospace unit at an "acceptable" price — are not met.

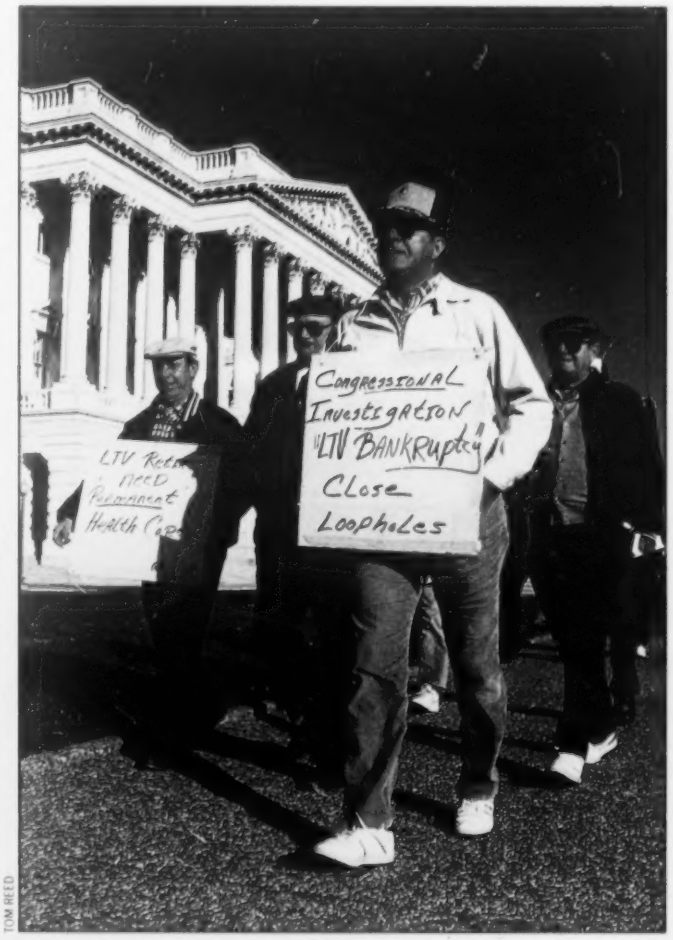
It also requires the PBGC's help in resolving a $1 billion excise tax assessment from the Internal Revenue Service.

The funding also averts the need for emergency legislation that Rep. Dick Schulze, R-Pa., had introduced on behalf of the agency.

The understanding between the steel creditors and the PBGC broke an impasse that had existed between the agency and other LTV creditors.

The concession by the PBGC to issue "contingent value rights" to other creditors who exchange their debt for LTV stock was intended to allay creditors' fears that LTV stock they would accept in the reorganization would trade at a discount, Harold Novikoff, partner, Wachtell, Lipton, Rosen & Katz, New York, told the bankruptcy court. Some creditor

See **LTV deal** *on page 54*



TOM REED

LTV retirees protest over cuts to their supplemental pensions, which would be spared under an 'understanding' with the PBGC.

Medicare shift to cut liabilities

By Hillary Durgin

WASHINGTON — Corporations could shed almost $100 billion of their $335 billion tab for retiree health benefits if Congress lowers the eligibility age for Medicare coverage, based on General Accounting Office estimates.

Several congressional proposals now under consideration could ease employers' obligation for retiree medical care coverage by changing the eligibility age for Medicare to 60 from 65.

The advent of Financial Accounting Board's Statement 106 — an accounting rule requiring companies to report their liabilities for retiree medical coverage on their balance sheets — is forcing many large companies to reexamine their billion-dollar burden. To reduce their liability and control costs, many employers have been attempting to shift and share expenses with employees. The moves have sparked labor disputes, strikes and even layoffs at union-organized companies.

"While the consequences of the new (FASB) accounting rules have yet to be determined, we are already beginning to see an erosion of employer-provided retiree health benefits," said Rep. Pete Stark, D-Calif., at a hearing of the House Ways and Means Subcommittee on Health.

"Proposals to lower the Medicare eligibility age would offer a number of advantages for American businesses, their employees and their retirees."

Rep. Stark, who chairs the subcommittee, has introduced one of two pieces of legislation that would lower the Medicare eligibility age: H.R. 1441, the Medicare Eligibility and Expansion Act of 1991. Rep. Dan Rostenkowski, D-Ill., chairman of the Ways and Means Committee, has introduced H.R. 3205, the Health Care Coverage and Cost Containment Act of 1991, a broad proposal for health care reform that also would lower the age for Medicare eligibility to 60.

See **Medicare** *on page 56*

ServiceMaster moves to lure institutions

By Marlene Givant Star

DOWNERS GROVE, Ill. — ServiceMaster L.P., considered a bellwether among master limited partnerships, is planning an innovative financial restructuring that will allow it to attract institutional shareholders while preserving its MLP tax status.

Tax experts and MLP industry watchers think ServiceMaster's transaction could spur a flurry of restructurings by other MLPs eager for institutional ownership.

ServiceMaster's proposed restructuring would create a corporate security attractive to institutional owners who traditionally have shied away from MLP investments. In effect, it would create a corporation to own each of its major divisions with a similar security established for each major business unit. ServiceMaster is a food service, plant maintenance, hospital laundry and linen and pest control company.

At the same time, the company would continue to offer the tax benefits of a partnership to individual investors. The second phase of the plan converts ServiceMaster from partnership to corporate form by the end of 1997, when the current tax-law exemption expires.

Popular adoption of ServiceMaster's blueprint could open a universe of more than 120 master limited partnerships formed during the mid-1980s. The firms are owned mostly by individuals, although before conversion, institutional ownership was much higher. Many are oil and gas or real estate partnerships whose performance has suffered with downturns in both sectors.

Institutions have been avoiding MLPs since the Revenue Act of 1987 eliminated most tax advantages of limited partnerships, causing tax-exempt institutions to face an unrelated business income tax on income from the partnerships (*Pensions & Investments*, June 11, 1990).

Several other MLPs — eager to attract institutional investors and avoid complex, burdensome tax laws and reporting requirements — are holding special meetings to seek approval of conventional, tax-free conversions to corporate structures.

"Any time an MLP takes action like this it's entirely attributable to not having sufficient institutional ownership," said Robert Willens, senior vice president of Lehman Brothers, New York.

"There's no demand for (MLP) stock because you've cut out four-fifths of potential buyers. Stock prices have been suffering."

Executives of these MLPs also believe it will be easier to raise capital through equity and debt offerings if they free themselves from the limited partnership label. Limited partnerships have been the focus of recent congressional scrutiny because of incidents in which their value has been diluted in so-called "roll-up" transactions to compensate for bad investments.

ServiceMaster, which is 23% owned by institutions, soon will

See **Lure** *on page 54*

Chicago Consulting Actuaries: Lina Flores, left, James Peard, Harold Cooper and Thomas Terry.

ACTUARIES

Organization offering ways to help curb PBGC's bite

■ A young Chicago actuarial firm is taking a look at the increasingly high cost of doing business with the Pension Benefit Guaranty Corp.

Chicago Consulting Actuaries Inc., formed this year when four principals left the Chicago office of TPF&C, has begun offering a PBGC premium audit for firms that want to take a hard look at the premiums paid to the agency.

"PBGC premiums are just another tax," said Thomas Terry, president. "We believe that no plan sponsor should pay one dollar more than necessary."

According to Harold Cooper, principal, the audits focus on up to 20 items used in determining the premium payment schedule. He said there are savings to be found in both the base premiums, which have increased to $19 from $2.60 per employee in the last six years, and the variable premiums, for plans with unfunded liabilities, which range up to $54.

"We're convinced with what we're seeing in more than half of the cases that the premium they are paying is too high," Mr. Cooper said.

On the audits completed so far, he said, savings have ranged from $29,000 to $300,000.

"The difference between this and pension contributions is that those are self-correcting," he said. If contributions are too high in one year, the following year has a simple mechanism for paying less, Mr. Cooper said. Not so with PBGC premiums, he said.

— Curtis Vosti

INVESTING

NASDAQ ascends to stellar heights

■ The NASDAQ Composite index finished the third quarter with a 40.9% year-to-date return, more than double the increase of any other major U.S. index.

Share volume also was extraordinary — 29.9 billion shares during the first nine months of the year, topping the old three-quarter mark of 28.3 billion shares set in 1987. Dollar volume also set a record, surging to $491 billion from the previous all-time high of $395 billion also set in 1987.

During the first three quarters, the NASDAQ index established 18 all-time highs. Share volume is running at a 40 billion share pace this year, the best in the market's 20-year history. Overall, NASDAQ's share volume has climbed to 90% of the New York Stock Exchange's.

Initial public offerings continued to boom, with 196 deals raising $4.8 billion during the first nine months.

— Marlene Givant Star

10 largest NASDAQ percentage gainers

($3 minimum 1990 closing price)

	Closing price 12/31/90	Closing price 9/30/91	Gain (%)
Spartan Motors	3 7/8	26 3/4	590.32
Thorn Apple Valley	6 1/2	39 1/2	507.69
50-Off Stores	5 3/4	34 3/4	504.35
College Bound	4 3/8	23	425.71
LifeCore Biomedical	3 3/8	17 3/8	414.81
American Claims Evaluation	3	15 1/4	408.33
Artistic Greetings	3	14 7/8	395.83
Allied Research Corp.	3 1/4	14 3/4	353.85
Empi	4 3/32	18	340.85
Waterhouse Investor Services	3 1/4	14 1/4	338.46

Source: National Association of Securities Dealers, Washington KIMBERLY MART

WASHINGTON

Public funds seek change in bankruptcy law

■ Public pension funds, through intensive lobbying efforts, have succeeded in getting a bill introduced in the U.S. Senate that would make them eligible to serve on creditors or equity holders committees in Chapter 11 bankruptcy proceedings.

Under the Federal Bankruptcy Code, governmental units such as public employee pension funds are ineligible to serve on such committees, even though they are often the biggest holders of bankrupt securities.

The bill, introduced by Sen. Herbert Kohl (D-Wis.), would amend the code's restriction stemming from the exclusion of governmental units in the definition of "person" in section 101(35).

Governmental units are excluded because of the assumption they would always hold tax claims, which are accorded priority status in bankruptcy distributions. But public funds, unlike other governmental entities, do not have tax claims and receive the same distribution treatment as ordinary creditors or equity holders. Consequently, public funds want the code to give them the same voting power as other institutional investors.

— Marlene Givant Star

CONSULTANTS

New firm keeping close to home

■ As William M. Mercer Inc. first downsized its Nashville office and then, eventually, closed it, five of its former employees set up shop to compete with the consulting giant on their home ground.

Acuff & Associates Inc., Nashville, whose primary focus is on Tennessee companies, will advise benefits administrators and handle administration, record keeping and reporting requirements.

Lucien B. Acuff said "benefits consulting requires a great deal of local presence." Mr. Acuff has been in Nashville since 1965, when he co-founded the benefits consulting firm H.W. Black & Associates.

Mercer acquired the firm in 1975 when it opened its Nashville office.

Mr. Acuff was vice president and managing director with Mercer until he resigned at the end of September to become senior consultant/retirement plans practice at the new firm.

L.B. Acuff

Joining Mr. Acuff from Mercer are David Kays and Michael G. Guyton as senior consultants/defined benefit practice; Trina D. Burrow, senior consultant/defined contribution practice; and Keith Stewart, manager of technology and information processing.

— Sabine Schramm

INTERNATIONAL

Salomon creates LDC bond index

■ The first total rate of return index for developing-country bonds has been introduced by Salomon Brothers Inc., New York.

Called the Salomon Brothers Brady Bond Index, the benchmark enables investment professionals to directly compare the historical rates of return and potential attractiveness of the lesser-developed country debt market with other markets.

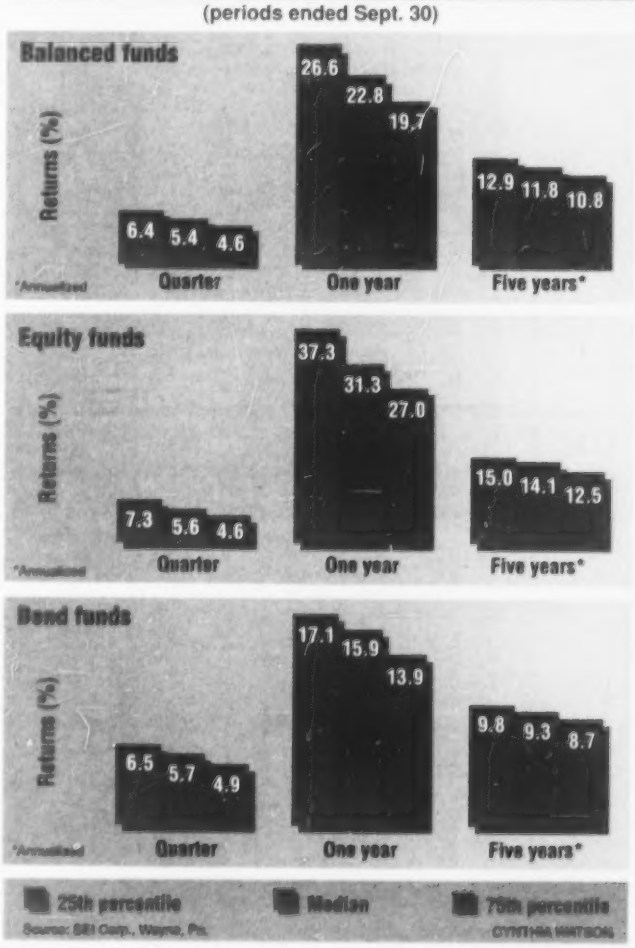
Spurred by the March 1990 conversion of more than $50 billion in bank loans into easily tradeable bonds (under a plan proposed by Treasury Secretary Nicholas Brady), LDC debt has developed into a large, maturing capital market.

Brady bonds have outperformed most major categories of investments in their 17-month history. The bonds returned 51.73% in the 12-month period ended Aug. 31, compared with 14.64% for the Salomon Brothers Broad Investment-Grade Bond Index.

— Marlene Givant Star

SEI universe performance

(periods ended Sept. 30)



REAL ESTATE

Pension funds may have missed boat with apartments

■ Apartments are the best-performing property type, but most pension portfolios contain only a small percentage of apartments.

Apartments achieved a total return of 4.3% for the year ended June 30, according to the Russell-NCREIF Property Index.

The overall index returned −1.1%; offices, −5.5%; retail, 2.8%; R&D/office, −1.3%; and warehouses, 0.3%.

Apartments also outperformed other property types for the quarter ended June 30, with a total return of 1.1%. For the same period, offices returned −1.2%; retail, 0.8%; R&D/office, 0.9%; and warehouses, 0.6%.

Apartments' one-year performance was hindered by negative appreciation. But a report by Real Estate Research Corp., Chicago, indicates apartment prices are being driven down by distressed sellers, and not a deterioration in investment fundamentals, said Jeffrey D. Fisher, director of the Center for Real Estate Studies at Indiana University, Bloomington.

Also, said Mr. Fisher, a Salomon Brothers Inc. report said the apartment market is moving from a condition of oversupply to a balance between supply and demand.

The balance is attributed to a drop in the supply of new apartments since 1986, when tax laws were changed, Mr. Fisher said.

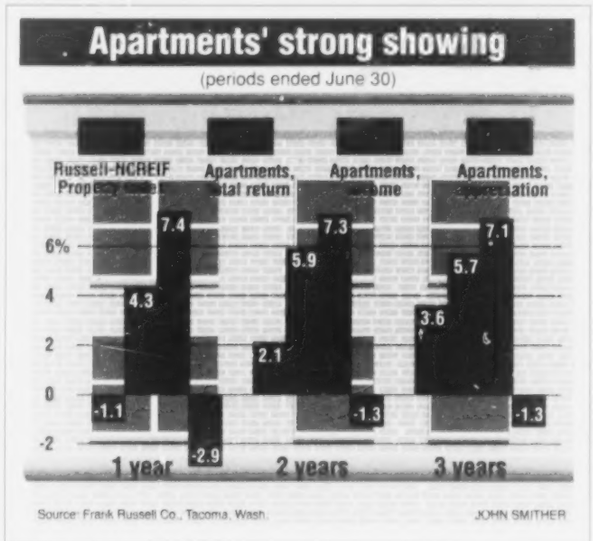
Apartments make up slightly more than 10% of the value of properties in the Russell-NCREIF index, "leading some analysts to believe that apartments are underweighted in institutional real estate portfolios," Mr. Fisher said.

But some pension funds — including the $11.4 billion Los Angeles County Retirement Association — are considering adding apartments.

Norman Johnson, L.A. County board chairman, has asked the pension fund staff and consultant to look into using one of the fund's existing real estate managers as an additional apartment fund manager. The fund already holds some apartments.

And Southern Cos., Atlanta, allocated $14 million to apartment manager Metric Institutional Realty Advisors, San Francisco.

— *Steve Hemmerick*



BENEFITS

Loan provisions key in 401(k) plans

■ Workers won't put money into a 401(k) plan unless they can take it out, a demand that is pressuring most employers to put loan provisions into their plans.

But in their effort to encourage participation, companies potentially may jeopardize their retirement savings, said Scott Tanker, vice president in the Philadelphia office of employee benefits consultant Noble Lowndes.

Mr. Tanker designs loan provisions for 85% of all the plans he works with that are two years or older. "My major concern is to really get employees to realize that they're in the ultimate control of their financial destiny," he said. "The money that earns the most for you is the first money that you put in."

While 82% of senior corporate executives support federal initiatives to enhance post-retirement income, 90% back legislative efforts to remove the 10% penalty on early withdrawals, according to a recent Noble Lowndes survey.

"I'm very concerned as to whether the executives, instead of looking 10 years ahead, may be looking only 10 minutes ahead," Mr. Tanker said.

Executives want to eliminate penalty-free withdrawals to pay for uninsured medical expenses, college education and a primary residence.

To prevent employees from sapping their savings unless absolutely necessary, he suggested tailoring the provision design. Loan features can be adjusted to shorten the loan repayment period or limit the amount one can withdraw without penalty.

Under a standard loan provision, an employee can withdraw 50% of the vested account balance up to $50,000 but must pay it back within five years unless the loan is for the purchase of a first home.

— *Hillary Durgin*

EDUCATION

Course eases information overload

■ As a trustee of the Sacramento County Employees' Retirement System, Marilyn Woods knows the enormous quantity of information trustees are expected to grasp.

"You go to a meeting . . . and you get a little piece. It's hard to know . . . how the pieces fit," she said.

Her experiences as a trustee and as the former chief deputy of the California State Teachers' Retirement System reinforce her belief "there's a need for quality education for both trustees and staff."

Ms. Woods, vice president of the Institute for Fiduciary Education since she left California Teachers in 1988, is trying to meet that need. She has developed a three-day course, "Pension Fund Investing," offered through the IFE.

The first course was held in August 1990; the sixth is scheduled March 16-18. All are held on college campuses and limited to 30 participants to foster a "graduate-class atmosphere," she said.

M. Woods

Consultants, attorneys, actuaries, money managers and pension executives teach the sessions. Topics include fiduciary responsibility, asset classes, liabilities, development of investment management plans and hiring and evaluating managers and consultants.

The idea, she said, is to put everything into perspective.

— *Nancy K. Webman*

VENTURE CAPITAL

Investment may lead to other deals

■ A group led by Patricof & Co. Ventures and Morgan Stanley Venture Partners, both in New York, has acquired Protection One Alarm Services, Portland, Ore., a security alarm company.

Terms of the deal, which included debt and equity financings, were not disclosed.

The group will use its investment in the company to explore further acquisitions in the security alarm industry which, the investors believe, is ripe for consolidation, particularly on the West Coast.

Patricof manages more than $1.5 billion in venture capital funds.

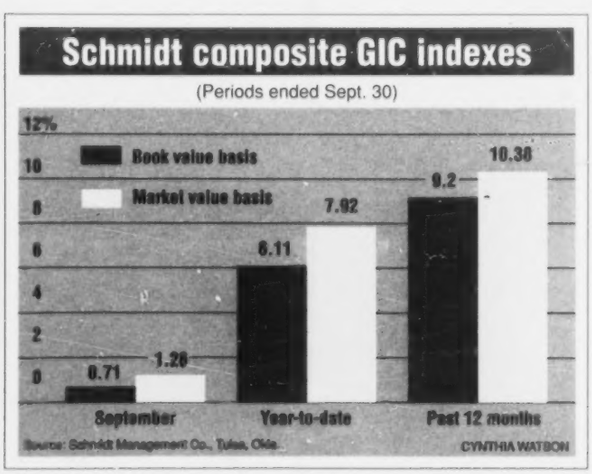
The Morgan Stanley investment comes from its $90 million later-stage venture capital fund.

Investors in the Morgan Stanley fund include two managers of managers, Alliance Capital Management L.P. and Brinson Partners, as well as such direct investors as Rockefeller Foundation and PosTel Investment Management Ltd.

Investors in the Alliance Capital fund include Ford Motor Co., Burlington Industries Inc., General Mills Inc., Merck & Co. Inc., Johnson & Johnson and Hoffman-LaRoche Inc.

Brinson Partners' investors include Ameritech Corp. and Southwestern Bell Corp.

— *Marlene Givant Star*



FINANCING

Latin firms tap private market

■ Mexico's Cemex S.A., one of the world's largest cement producers, and Brazil's Companhia Vale do Rio Doce, a large diversified company with interests in natural resources, industry and transportation, recently raised capital from U.S. private investors via the Securities and Exchange Commission's rule 144a.

Citicorp was the lead manager on both deals.

In its $150 million deal, Cemex became the first private-sector Latin American issuer to establish and issue under a Euro medium-term note program. The proceeds will be used to refinance existing debt at a lower cost.

Cemex's issue, in three $50 million tranches, had a yield of 10⅛% on the tranche with a two-year maturity; 10⅞% on the three-year tranche; and 11¼% on the four-year tranche. The securities were listed in London and placed primarily in Europe and in the United States.

CVRD's $200 million issue marked its first entry into the international capital markets since the Latin debt crisis began in 1982. The notes, issued in Europe and in the United States, were sold to yield 11.45%.

"Investors were receptive to Mexican and Brazilian issuers and the attractive yields they offered (relative) to comparable issuers in the U.S. CVRD's success is an indication of market confidence in Brazil . . . It should set the stage for other issuers in Brazil," said Hari Hariharan, division executive for international corporate finance at Citibank N.A.

— *Marlene Givant Star*

ASSOCIATIONS

New name to reflect broader focus

■ In an effort to more accurately characterize the overall functions of its membership, the National Corporate Cash Management Association officially changed its name to Treasury Management Association at its annual conference in Orlando, Fla., Oct. 14.

TMA officials had discussed the change for several months, to broaden the appeal of the association to include the full range of treasury management specialties.

While the name was being changed, the TMA also elected a new slate of officers for 1992. R. Duane Allison, assistant treasurer at the University of Iowa, Iowa City, was elected the new TMA president, replacing Martin Beierwaltes, vice president and assistant treasurer at Bankers Life and Casualty Co., Chicago.

Other 1992 TMA officers are Angelina M. Spoto, assistant treasurer of Ames Department Stores, Rocky Hill, Conn., vice president; Karl E. Rapp III, manager of banking and cash management, Martin Marietta Energy Systems, Oak Ridge, Tenn., treasurer; and Zada True-Courage, treasury manager, Harte-Hanks Communications Inc., San Antonio, Texas, secretary.

Newly elected TMA board members are Donald D. Aquila, manager of treasury operations, Thomas & Betts, Bridgewater, N.J.; Robert L. Kunde, vice president-finance, Seattle Telco Federal Credit Union, Seattle; Stephen F. Messerly, assistant treasurer, Ohio State University, Columbus; and David P. Smay, assistant treasurer, Chevron Corp., San Francisco.

— *Fred Williams*

A change in the landscape

Demands, technology create new niches in consulting

By Curtis Vosti

Spurred by client demand and widely available technology, consulting firms are changing the way they do business.

Pension executives are looking for increased specialization and expertise from consultants as their funds move beyond the traditional investment classes and plan designs.

The all-things-to-all-people supermarket approach that dominated consulting in the 1980s is splintering. Consulting fees and services more and more are being unbundled.

Meanwhile, technology has lowered barriers both for fund executives and new consulting firms, spawning more competition and feeding the demand for specialized services.

The trends are the tip of changes in sponsor/consultant relations. Familiar activities, such as the use of soft dollars, are losing their luster. Data bases, once the treasured property of major consultants, almost have become public domain.

"There's a clear sense that we've got people rethinking the nature of consulting," said Roger Bransford, national practice leader in Atlanta for TPF&C. "The days of omnibus or a single-source consultant doing everything for anyone are fading."

Roger Bransford of TPF&C says the days of the single-source consultant are fading.

One reason for the change, some say, is pension executives are catching up with — and at times exceeding — consultants on the learning curve in new investment areas and strategies. Services in such areas as defined contribution plans, international investing and real estate turnarounds sometimes are demanded before consultants are ready to help.

"The sophistication of the client demands a higher level of sophistication from the consultant," said Larry Davanzo, managing director of Asset Strategy Consulting, Los Angeles.

"From a consulting point of view, it's much more competitive than it used to be," said Steve Nesbitt, senior vice president of Wilshire Associates, Santa Monica, Calif. "Five years ago, I don't remember a specialty firm. Today there are dozens of them."

"It is very difficult for any firm, regardless of size, to be all things to all people," said James Beasley, chief executive officer of J.F. Beasley & Co. Inc., Highlands Ranch, Colo., which opened for business this year. "We're seeing a trend toward larger client sponsors using more than one consultant."

Michael Phillips of Frank Russell Co. says the firm is changing its bundled fees.

No longer is it enough for a consultant to help pension fund officers go from setting a policy today to hiring managers tomorrow.

"Historically, that process resulted in chasing past performance," said David Kudish, president and managing director of Stratford Advisory Group Inc., Chicago. Now, clients are looking beyond just deciding with whom to invest. For example, his firm is one of few that will make recommendations on areas such as style tilting, Mr. Kudish said.

"Consultants have to be more proactive. If a consulting firm is not prepared to put its head on the block, it's not going to get market share," he said.

Specialized consulting firms like Plexus Group, Santa Monica, Calif., offer pension executives a focused approach to looking at the implementation of their policy decisions in an effort to save money.

"We do not aspire to be a supermarket," said partner Ed Story. "Traditional consulting focused always on what to do. We look at the how, not the what."

Plexus associate Mark Edwards said the services offered by specialty consulting firms represent the maturation of the industry and the clients. "People are recognizing holes in the industry — questions that have never been asked before. Plan sponsors are no longer concerned as much with the revenue stream. They are looking to control or cut costs."

Institutional investors also are looking beyond the nation's boundaries, which has affected consulting firms in two ways.

Because of imminent requirement to report pension liabilities, multinationals are taking a closer look at their foreign subsidiaries. They want their consultants to have greater multinational expertise.

And the rush to invest internationally — beyond stocks and bonds into specialized classes such as small-cap stocks and currency hedging — calls for consultants to know more than just the returns of the Morgan Stanley Capital International Europe Australia Far East Index.

"Multinational plan sponsors are expecting you to be able to consult outside the U.S.," said TPF&C's Mr. Bransford. ". . . You need to know foreign laws."

The increasing use of alternative investments has helped push firms into more specialization. InterSec Research Corp., Stamford, Conn., has become a pre-eminent international consultant.

"With plan sponsors being more specific, as a result the consultant industry is more segmented," said Michael Beasley, senior vice president, of Callan Associates Inc., Atlanta. "There's a greater pressure and need on the part of consultants to have larger and more specialized research functions to deal with the various asset classes and investment managers."

That, he said, puts pressure on the smaller firms because they lack the resources of larger firms. "We have five support people for every consultant," he said.

Wilshire, Callan, The Frank Russell Co. in Tacoma, Wash., and others have responded to the demand by establishing autonomous consulting groups in international, real estate and other, specialized areas. "If we didn't have an autonomous group, people wouldn't think we offer those services," Wilshire's Mr. Nesbitt said.

Knowing exactly what services they are receiving has become an issue for some pension executives and trustees.

The $4 billion Kansas Public Employees Retirement System is looking for a new consultant because board members and the previous consultant differed over the scope of consulting responsibilities.

This time, the board will be certain what the job responsibilities are.

"We'll undoubtedly bundle down some of those functions," said Walt Cobler, chairman of the board of the Kansas system. "We won't use one consultant to do everything for us."

The firm just hired CDA Investment Technologies Inc., Rockville, Md., to do performance measurement, and Mr. Cobler said more consultant hires are on the way.

Kansas is not alone in looking for unbundled services. The demand has grown so that even Russell, the venerable consulting giant, is "redefining our consulting bundled retainer fee," said Russell President Michael Phillips. "We want to give clients a choice. They want more defined services and to be clear on what

See **Demands** *on page 40*

Larry Davanzo of Asset Strategy says clients are becoming more sophisticated.

The information contained in the profiles in this special report was obtained from questionnaires sent to the investment management consultants and from follow-up calls. All information is ©1991 Crain Communications Inc. Reproduction without permission is prohibited.

Alpha Consulting Group

210 E. Michigan St., Suite 410, Milwaukee, Wis. 53202; (414) 276-8320

Alpha Consulting Group Inc. provides development of investment policies/objectives; development of appropriate asset allocation; U.S., global/international, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection and performance evaluation; and additional analysis of U.S., global/international and real estate managers.

The firm has special expertise in identifying managers that outperform desired benchmarks, without undue risk. A performance-related fee on manager searches is offered to back up its work.

There are two professional consultants. Fees are payable in hard dollars.

Robert J. Bukowski is the client contact.

Asset Consulting Group Inc.

231 S. Bemiston, Suite 1210, St. Louis, Mo. 63105; (314) 862-4848

Asset Consulting Group Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, futures/options and GIC manager selection; performance measurement and additional performance analysis.

The firm also offers custodian search, selection and monitoring; minority- and woman-owned manager search and selection; and transaction and fund cost efficiency review.

The firm has special expertise in serving public, Taft-Hartley and Blue Cross/Blue Shield funds, and investment of insurance reserves.

The firm has 48 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There are five professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Missouri State Employees, Blue Cross/Blue Shield of Connecticut, Central Illinois Laborers and University of Toledo.

Charles R. Holmes Jr. is the client contact.

Asset Manager Evaluation Service

135 E. Baltimore St., Baltimore, Md. 21202; (301) 727-1700

Asset Manager Evaluation Service, a subsidiary of Alex. Brown and Sons Inc., provides development of investment objectives and guidelines; asset allocation studies; and U.S. manager selection and performance measurement. Real estate consulting is offered through the parent.

The firm also offers historical performance evaluations, and has special expertise in the objective, qualitative analysis of money managers.

There are five professional consultants. Fees are payable in hard or soft dollars or as a percentage of assets on a wrap fee basis, with no charge for consulting, commissions or custodial costs.

The firm's parent offers investment management.

Richard L. Schubert is the client contact.

Asset Strategy Consulting

11766 Wilshire Blvd., Los Angeles, Calif. 90025; (213) 445-5400

Asset Strategy Consulting provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, futures/options and GIC manager selection and performance measurement; and additional performance analysis for U.S. and international/global managers.

The firm also offers plan cost containment services.

The firm evaluates existing investment capabilities; recommends new products and markets; creates investment capabilities for new markets; coordinates organizational and marketing strategy; and designs client/consultant communication programs for the investment management industry.

The firm has special expertise in global investment. It offers a proprietary manager data base and other investment technology, including manager and plan performance attribution.

The firm has one tax-exempt client on retainer.

There are five professional consultants. Fees are payable in hard or soft dollars.

Other financial services provided are investment banking advice and investment management consulting services to financial institutions, including asset allocation, investment guidelines, performance measurement and manager searches.

Lawrence E. Davanzo is the client contact.

Bacon & Woodrow

St. Olaf House, London Bridge City, London SE1 2PE, U.K.; 71-357-7171

Bacon & Woodrow, an international consultant, provides development of investment policies and objectives; development of appropriate asset allocation; U.K., international/global, real estate, venture capital and futures/options manager selection and additional performance analysis. Performance measurement is offered for U.K., real estate and futures/options managers.

The firm also offers asset/liability studies, investment committee attendance, portfolio analysis, investment management monitoring and advice on client agreement letters.

The firm provides general advice in relation to market positioning and marketing to the investment management industry.

The firm has special expertise in all aspects of U.K. pension fund investment management and the analysis of U.K. equity portfolios.

The firm has 410 tax-exempt non-retainer clients.

There are nine professional consultants. Fees are payable in hard dollars.

Other financial services provided are actuarial and strategic consulting to pension funds, banks and insurance companies, as well as communications services.

Tax-exempt clients include Procter & Gamble, Glaxo, SmithKline Beecham and Reuters.

David Hager is the client contact.

Bailard Biehl & Kaiser

2755 Campus Drive, San Mateo, Calif. 94403; (415) 571-5800

Bailard Biehl & Kaiser specializes in the development of appropriate global portfolio asset allocation models for specific client objectives and levels of risk, within a framework of expected economic circumstances.

The firm has 10 tax-exempt clients on retainer.

There are seven professional consultants. Fees are payable in both hard and soft dollars.

The firm also manages money.

Tax-exempt retainer clients include California Public Employees, Hughes Aircraft, Delaware, Bechtel Power, Ralston Purina and Ameritech.

Brian E. Schaefer is the client contact.

BARRA

1995 University Ave., Berkeley, Calif. 94704; (510) 548-5442

BARRA provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, private placements, futures/options and GIC performance measurement and additional performance analysis.

The firm also offers portfolio risk analysis and optimization (for the U.S., U.K., Canada, Australia, Germany, Japan, Sweden, Switzerland, France and world markets and emerging markets); asset allocation tools; currency risk modeling; multiple manager analysis; normal portfolio construction and library; customized valuation and risk models; seminars; and newsletters.

The firm provides U.S. and international equity and fixed-income analyses; risk models of the world's major and emerging capital markets; and value-added consulting to the investment management industry.

The firm has special expertise in quantitative investment.

The firm has 215 tax-exempt clients on retainer.

There are 132 professional consultants. Fees are payable in hard and soft dollars.

Todd Doersch is the client contact.

Beacon Hill Financial Corp.

19 Elm St., Cohasset, Mass. 02025; (617) 383-2300

Beacon Hill Financial Corp. provides development of investment policies and objectives and real estate, venture capital, LBO, and private placements manager selection.

The firm also offers distribution and marketing of private placement partnerships to the investment management industry, and has special expertise in marketing analysis.

The firm provided services to 21 non-retainer tax-exempt clients during the past year.

There are four professional consultants. Fees are payable in hard dollars.

Other financial services provided are investment banking and corporate finance advisory.

Robert F. Johnston is the client contact.

Bear Stearns Fiduciary Services Inc.

805 15th St., N.W., Suite 1120, Washington, D.C. 20005; (202) 898-2270

Bear Stearns Fiduciary Services Inc., a subsidiary of The Bear Stearns Cos. Inc., provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection.

Performance measurement and additional performance analysis are offered for U.S., real estate, venture capital, private placements, futures/options and GIC managers.

The firm also offers independent fiduciary services for employee benefit plans in transactions between the plans and their corporate sponsors.

The firm has special expertise in applying ERISA "prudent expert" standards to pension plans' investment-related activities.

The firm has 21 tax-exempt clients on retainer and provided services to three non-retainer tax-exempt clients during the past year.

There are four professional consultants. Fees are payable in hard dollars.

Other financial services provided are investment banking and brokerage.

Elizabeth Henderson is the client contact.

GREAT PERFORMANCE IS ROOTED IN GREAT PHILOSOPHY

"Take nothing on its looks; take everything on evidence. There's no better rule."
(Charles Dickens 1812-1870)

If Dickens were choosing a manager today, we feel confident he'd be on our client list.

Read about our company in a copy of Independence's monthly newsletter, *Independent Thought.*

IA Independence Investment Associates
One Liberty Square, Boston, MA 02109 617 - 292 - 8700

CHEAPNESS + IMPROVING FUNDAMENTALS = ATTRACTIVE STOCKS

J.F. Beasley & Co. Inc.
1865 Mountain Laurel Circle, Highlands Ranch, Colo. 80126; (303) 791-9153

J.F. Beasley & Co. Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., private placements, futures options and GIC manager selection and performance measurement.

The firm also offers cash management for public asset pools.

It provides infrastructure consulting to start-up minority, female and emerging managers. The firm also licenses investment technology (derivatives and fixed-income products) to the investment management industry. It offers multimanager expertise to trust companies and trust departments of banks to create programs for small and medium-size asset pools.

The firm has an extensive data base of minority, female and emerging managers.

The firm has one tax-exempt client on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There is one professional consultant. Fees are payable in both hard and soft dollars.

Other financial services provided are corporation reorganization and restructuring and cash management.

James F. Beasley is the client contact.

Becker, Burke Associates
221 N. LaSalle St., Suite 1000, Chicago, Ill. 60601; (312) 782-5665

Becker, Burke Associates provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, real estate, venture capital, private placements, futures options and GIC manager selection, performance measurement and additional performance analysis. Performance measurement and additional analysis is offered on LBO managers.

The firm offers a customized performance standard that provides special performance backgrounds for analysis of manager returns and performance fees. Specialized research studies also are developed.

The firm provides performance measurement and special projects to the investment management industry.

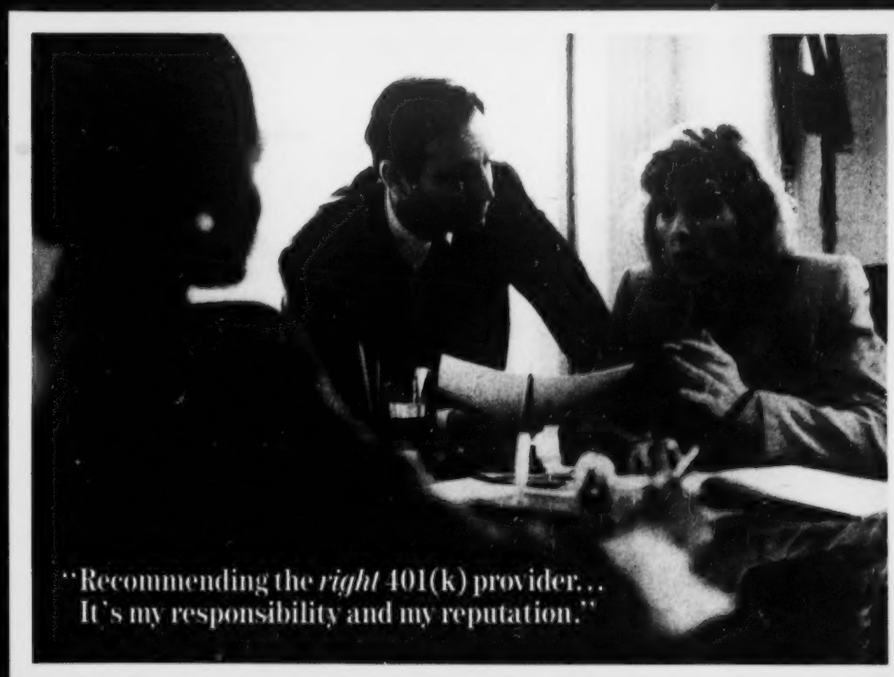
It has special expertise in investment policy, manager structure, manager searches, performance-based fees, performance attribution, foreign manager searches and Blue Cross reserves.

The firm has 24 tax-exempt clients on retainer and provided services to six non-retainer tax-exempt clients during the past year.

There are three professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Chicago Municipal Employees, Kentucky Teachers, NALCO Chemical and Perkin Elmer.

Ed Burke, Howard Pohl and Margarett Gorodess are the client contacts.



In the pension business, recommending a 401(k) program means recommending a company to make that program work. With John Hancock, we take care of everything from helping you close the sale to implementing the plan.

We ensure a plan's success by providing your clients with a comprehensive employee communications program. Then we relieve your clients of tedious recordkeeping and administrative details.

John Hancock has been serving pension clients successfully for 50 years. Currently, we manage over $20 billion in assets for retirement plans. Hancock's investment performance is outstanding and we consistently receive excellent ratings from Moody's, Standard & Poor's and A.M. Best.

So when you recommend John Hancock, you're recommending a company with both superior investment performance and high service standards.

For more information about a highly recommended 401(k) provider, please call Maureen Phillips, Vice President, Investment and Pension Sales, at (617) 572-1645.

Investment and Pension Group
John Hancock Financial Services
Real life, real answers.

Becker & Rooney Inc.
Glenpointe Centre East, 3rd Floor, Teaneck, N.J. 07666; (201) 836-6868

Becker & Rooney Inc. provides GIC performance measurement and additional performance analysis. The firm also offers development of long-term GIC investment strategy; orchestration of competitive bidding; evaluation of GIC provider creditworthiness; plan design consulting; assistance with acquisition and spinoff issues and administrative problems; and negotiations with in-force carriers.

The firm has five tax-exempt clients on retainer and provided services to 70 non-retainer tax-exempt clients during the past year.

There are five professional consultants. Fees are payable in both hard and soft dollars.

Murray L. Becker is the client contact.

Bidart & Ross Inc.
6490 S. McCarran Blvd., Suite 15, Reno, Nev. 89509; (702) 826-6400

Bidart & Ross Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, real estate, futures options and GIC manager selection, performance measurement and additional performance analysis.

The firm has special expertise in asset allocation studies; employee communications; presentations; cost containment services; and manager, actuarial and custodial searches and evaluations.

The firm has 25 tax-exempt clients on retainer and provided services to four non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in both hard and soft dollars.

Other financial services provided are cost containment and trade execution analysis.

Tax-exempt retainer clients include Blue Cross/Blue Shield, Evans & Sutherland, Idaho Power and The Washington Cos.

James Ross is the client contact.

Alan D. Biller & Associates
P.O. Box 30, Palo Alto, Calif. 94302; (415) 328-7283

Alan D. Biller & Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, real estate, futures options and GIC manager selection and performance measurement. Additional performance analysis is available for U.S. and real estate managers.

The firm also acts as a fiduciary adviser and is involved in all aspects of investment planning, management, reporting and coordination with other service providers.

The firm has five tax-exempt clients on retainer.

There are four professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include Western Teamsters, ILWU-PMA, Todd-Pacific (UMSWA No. 9 and Arctic Slope Regional Corp.

Alan D. Biller is the client contact.

Buck Pension Fund Service
2 Pennsylvania Plaza, New York, N.Y. 10021; (212) 330-1248

Buck Pension Fund Service Inc., a subsidiary of Buck Consultants Inc., provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, real estate, venture capital, LBO, private placements, futures options and GIC manager selection and performance measurement. Additional performance analysis is offered for U.S. and international/global managers.

The firm provides development of normal portfolios on a selective basis to the investment management industry.

It has special expertise in asset/liability studies, equity and fixed-income risk analysis, and the development of equity and fixed-income asset list normals.

The firm has 20 tax-exempt clients on retainer and provided services to more than 25 non-retainer tax-exempt clients during the past year.

There are seven professional consultants. Fees

Research,
Software,
Datafeed

PROXYVOTER

THE COMPLETE PROXY MANAGEMENT SYSTEM

Find out why
more than 400
institutional investors
depend on IRRC

Call for your
free demo disk and
sample research
202/234-7500

IRRC Investor Responsibility Research Center Inc.
David Popper/David Hauck
1755 Massachusetts Ave., N.W.
Suite 600
Washington, DC 20036

are payable in both hard and soft dollars.

Tax-exempt retainer clients include New York State Teachers, Southwestern Bell and the Organization of American States.

William H. Overgard is the client contact.

Callan Associates Inc.

71 Stevenson St., Suite 1300, San Francisco, Calif. 94105; (415) 974-5060

Callan Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international, global, real estate, venture capital, LBO, private placements, futures options and GIC manager selection; performance measurement and additional performance analysis.

The firm provides style performance reports, investment measurement services, presentation consulting, marketing program analysis and product analysis to the investment management industry.

The firm has special expertise in strategic planning to include asset allocation, liability simulation and asset mix optimization.

The firm has 231 tax-exempt clients on retainer and provided services to 40 non-retainer tax-exempt clients during the past year.

There are 35 professional consultants. Fees are payable in both hard and soft dollars.

Ronald D. Peyton is the client contact.

Cambridge Associates Inc.

1 Financial Center, Boston, Mass. 02111; (617) 439-3232

Cambridge Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international, global, real estate, venture capital, LBO, private placements, futures options and GIC manager selection and performance measurement. Additional performance analysis is offered for U.S., international, global, real estate, venture capital, LBO, private placements and futures options managers.

The firm also offers extensive investment and financial planning research reports.

The firm has special expertise in investment and financial planning for universities, foundations, museums, hospitals, international organizations and other non-profit institutions. Extensive coverage is offered of non-traditional investment categories, such as venture capital, real estate and global investing.

The firm has more than 250 tax-exempt clients on retainer.

There are 30 professional consultants. Fees are payable in both hard and soft dollars.

Daniel T. Lynch is the client contact.

The Carmack Group Inc.

1961 Huntington Drive, Suite 201, Alhambra, Calif. 91801-1240; (818) 289-0873

The Carmack Group Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international, global, real estate, venture capital, futures options and GIC manager selection; performance measurement and relevant benchmark analysis.

The firm offers customized performance comparisons and evaluations for client reporting. Four different techniques are used to develop relevant benchmarks for individual portfolios.

It provides analytical graphics reports using standard indexes and relevant benchmarks to the investment management industry.

The firm has two tax-exempt clients on retainer and provided services to 20 non-retainer tax-exempt clients during the past year.

There are 14 professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Cal Tech, Loyola Marymount and the Common Fund.

James A. Carmack is the client contact.

Burgess Chambers and Associates Inc.

400 New York Ave., Suite 200, Winter Park, Fla. 32789; (407) 644-0111

Burgess Chambers and Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global and real estate manager selection and performance measurement.

The firm has 12 tax-exempt clients on retainer.

There are two professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include Pipefitters Local 803, Port Orange Fire and Reserve, Cocoa Police and Sanibel Police.

Burgess Chambers is the client contact.

R.B. Clelland & Co. Inc.

50 California St., Suite 2535, San Francisco, Calif. 94111; (415) 393-8067

R.B. Clelland & Co. Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and international global manager selection, performance measurement and additional performance analysis.

The firm has special expertise in insurance asset/liability management.

The firm has three tax-exempt clients on retainer.

There are two professional consultants. Fees are payable in hard and soft dollars.

The firm offers SEI Wealth Management Services and Kingsley, Jennison's Dynamic Funds Management as investment vehicles.

Other financial services are provided for property and casualty insurance companies and high-net-worth families.

Tax-exempt retainer clients include O.I.S. Energy, U.S. Land Lease, San Diego Butchers and C&C Investments.

Robert B. Clelland is the client contact.

Collins Associates

840 Newport Center Drive, Newport Beach, Calif. 92660; (714) 644-5771

Collins Associates provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international, global, real estate and venture capital manager selection. Performance measurement and additional performance analysis are offered for U.S. and international global managers.

The firm has special expertise in alternative asset classes, market neutral investment strategies, hedge funds, short sellers and distressed securities.

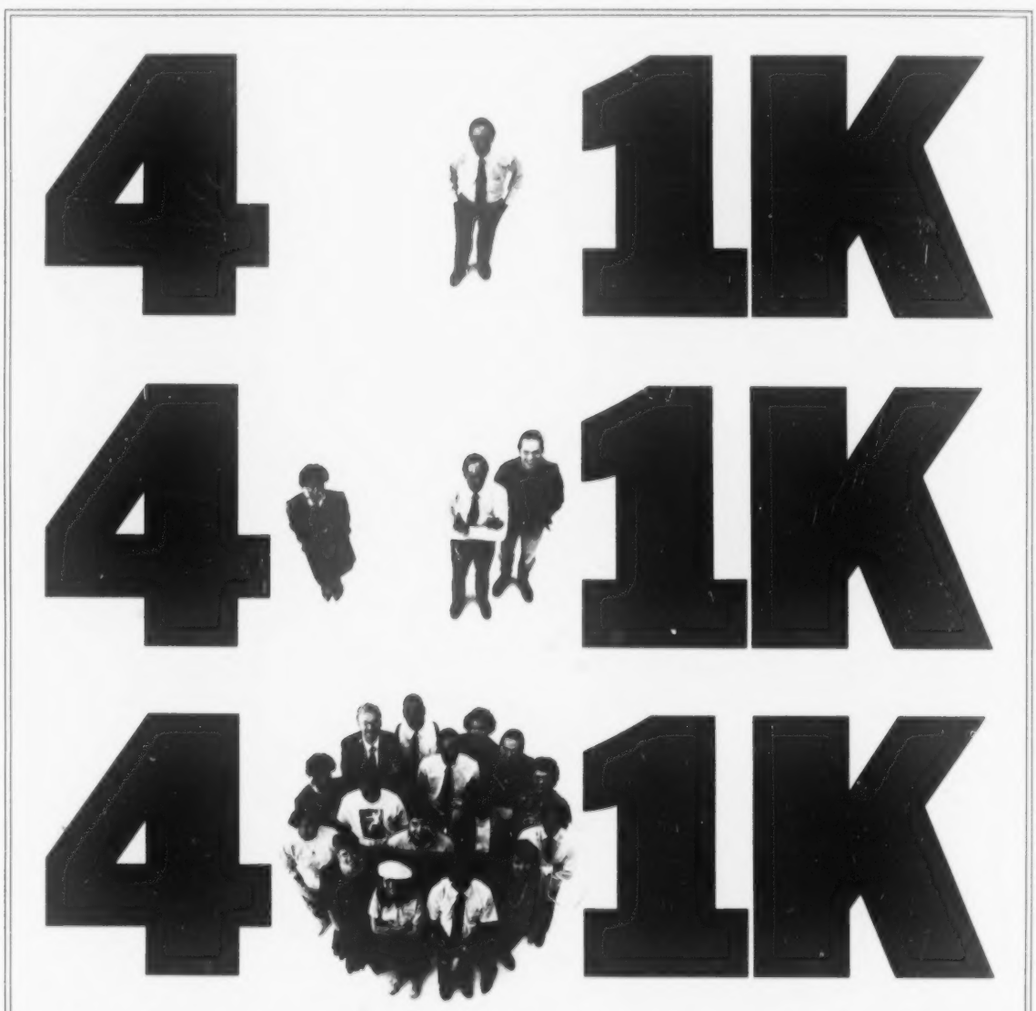
There are seven professional consultants. Fees are payable in hard dollars.

The firm offers group investment trusts in conventional equities, market neutral strategies, hedge funds, short sellers and distressed securities.

Tax-exempt retainer clients include Xerox, Sunkist Growers, Portland General and Safeway.

Monnie Elliott is the client contact.

Profiles of the largest pension funds will appear in the Jan. 20 issue of *Pensions & Investments*.



How to improve your employee participation.

Employees won't participate in something they don't understand.

So IDS Trust has developed what could be the most comprehensive employee communications effort in the industry. Programs written in language your employees will understand, not investment jargon.

We focus on educating your employees so they take responsibility for their account. And we can help you communicate to your personnel nationwide, providing local support to help employees understand their plan.

For more information about IDS Trust, call Ward Armstrong at **1-800-437-0600.**

And see how communications can build a plan that's really worth talking about.

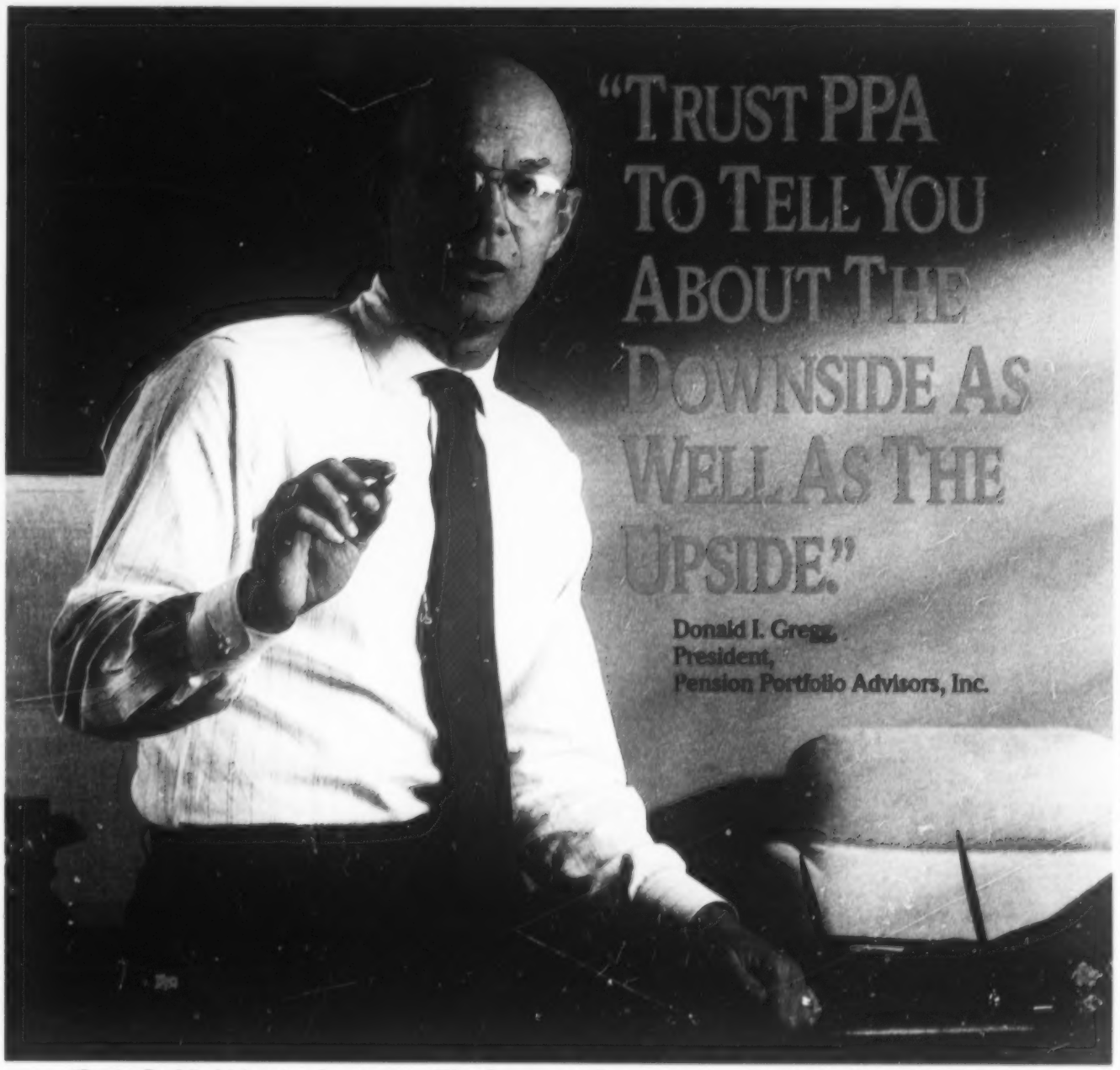
IDS
An American Express company

© 1991 IDS Trust, a division of IDS Bank & Trust, and IDS Financial Services Inc. provide the employee communications program.

GE Investments

GE Investments
3003 Summer Street
Stamford, CT 06905
Geoffrey R. Norman
Executive Vice President
203/326-2316

Worldwide Diversified Money Management Services



"Pension Portfolio Advisors is an Investment Advisor, registered with the SEC, providing advisory services to sponsors of pension, profit sharing and 401(k) plans.

"In helping you develop an investment strategy, we begin with an Investment Policy Statement, which establishes realistic goals and a way to achieve them. One of the keys to this process is to identify the potential downside as well as the upside of your investments. Each money manager's style, past performance and potential future impact are elements of our systematic approach.

"Why? Because we believe that the choice of money managers shouldn't be based only on last year's or last quarter's results. A well-defined style is important, along with a *consistency* of approach. That is how we help you achieve the long-term performance you need.

"PPA functions best as an extension of your organization, with shared accountability for the results. That's why we set up a multi-year system to achieve your goals. We are not in this for short-term gains. Our job is to help you orchestrate a strategy that will minimize the volatility of your plan investments, avoiding any 'negative surprises.'

"We understand that your plan is a promise to your employees—and our job is to help you fulfill that promise, year after year."

Call or write today:
25800 Northwestern Highway
P.O. Box 2165
Southfield, MI 48037
313/357-4125

PENSION PORTFOLIO ADVISORS
WE MANAGE PERFORMANCE SM

Colonial Consulting
610 Fifth Ave., Suite 420, New York, N.Y. 10020; (212) 307-1830

Colonial Consulting provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international, global, real estate, venture capital, LBO, futures options and GIC manager selection; performance measurement and additional performance analysis.

The firm has special expertise in consulting to endowments and foundations.

The firm has 13 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There are eight professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Dominion Resources, Carnegie Endowment for International Peace, National Council of the YMCAs and the Charles A. Dana Foundation.

Jeffrey Teper is the client contact.

Consulting Group
222 Delaware Ave., Ninth Floor, Wilmington, Del. 19801; (312) 648-3052

Consulting Group, a division of Shearson Lehman Brothers Inc., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and international global manager selection; performance measurement and additional performance analysis.

The firm has special expertise in qualitative and quantitative proprietary investment manager analysis.

The firm has 210 tax-exempt clients on retainer.

There are 131 professional consultants. Fees are payable in both hard and soft dollars.

The firm offers a manager of managers service.

Tax-exempt retainer clients include Kansas Power & Light Gas Service, Cincinnati, University of Arizona Foundation and Service Employees International.

David J. Shanahan, in Chicago, is client contact.

Consulting Services Group
80 Monroe Ave., Suite 800, Memphis, Tenn. 38103; (901) 525-8080

Consulting Services Group L.P. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global, private placements, futures options and GIC manager selection; performance measurement and additional performance analysis. Performance measurement also is offered for real estate and venture capital.

The firm provides marketing advice and brochures to the investment management industry.

It has special expertise in ongoing performance evaluation of a total fund, as well as in assistance in structuring and planning for insurance and benefit needs.

The firm has 31 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There are 15 professional consultants. Fees are payable in both hard and soft dollars.

The firm owns a limited purpose brokerage subsidiary.

Tax-exempt retainer clients include Memphis Light, Gas and Water, Hospital Corp. of America, LeBonheur Children's Medical Center, and Terminix International L.P.

E. Lee Giovannetti is the client contact.

Dahab Associates Inc.
52 Nassau Ave., Islip, N.Y. 11751; (516) 277-8301

Dahab Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international, global, real estate, and GIC manager selection; performance measurement and additional performance analysis.

The firm has special expertise in asset allocation, manager search and performance measurement.

The firm has eight tax-exempt clients on retainer and provided services to 34 non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Pennsylvania Municipal, Newport News, Va., National Council of Churches, and Harvard Industries.

Richard E. Dahab and Janine M. Foreman are the client contacts.

Dain Bosworth Inc.
100 Dain Tower, Minneapolis, Minn. 55402; (612) 371-2707

Dain Bosworth Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international, global, futures options and GIC manager selection and performance measurement. Performance measurement also is available for real estate, venture capital, LBOs and private placements. Additional performance analysis is offered for U.S. managers.

The firm provides research, statement of investment policy, performance review, performance evaluation and participant communication to the investment management industry.

The firm has special expertise in working with participant-directed accounts to create a cost-effective menu of investment options, to plan communication meetings and to develop full investment programs.

The firm has three tax-exempt clients on retainer.

There are 17 professional consultants. Fees are payable in both hard and soft dollars.

Brokerage services are available.

Tax-exempt clients include Ben Bridge Jeweler, G.I. Joe's and Ochoco Lumber.

Linda Henderson and Rhonda L. Thompson are the client contacts.

Davies Investment Associates Inc.
215 Piedmont Ave. N.E., Suite 1009, Atlanta, Ga. 30308; (404) 525-7541

Davies Investment Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global and real estate manager selection and performance measurement. GIC manager selection is available, and additional performance analysis is available for U.S. managers.

The firm has eight tax-exempt clients on retainer and provided services to 12 non-retainer tax-exempt clients during the past year.

There is one professional consultant. Fees are payable in both hard and soft dollars.

James J. Davies is the client contact.

Debenham Tewson International
717 Fifth Ave., 15th Floor, New York, N.Y. 10022; (212) 458-8218

Debenham Tewson International, a subsidiary of

Debenham Tewson & Chinnocks, provides development of investment policies and objectives; development of appropriate asset allocation; and real estate performance measurement and additional performance analysis.

The firm provides real estate advisory services to the investment management industry. It has special expertise in real estate on a global basis.

The firm has three U.S. tax-exempt clients on retainer.

There are four professional consultants. Fees are payable in hard dollars.

C.L.J. Wood is the client contact.

DeMarche Associates Inc.

1900 W. 47th Place, Westwood, Kan. 66205; (913) 384-4994

DeMarche Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international-global, real estate, venture capital, private placements, futures-options and GIC manager selection. Performance measurement is offered for U.S., international-global, real estate, venture capital, private placements and GIC managers.

The firm also offers capital market research and advisory services and tactical asset allocation recommendations.

Portfolio diagnostics, attribution and performance comparisons are available to the investment management industry.

The firm has special expertise in capital market research and manager search and selection.

The firm has 123 tax-exempt clients on retainer.

There are 16 professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Baxter International, Emerson Electric, Inland Steel and Missouri Public Schools.

Steve Farrell is the client contact.

Dorn & Helliesen Inc.

1995 University Ave., Suite 380, Berkeley, Calif. 94704; (510) 548-3400

Dorn & Helliesen Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international-global, real estate, venture capital, private placements, futures-options and GIC manager selection; performance measurement and additional performance analysis.

The firm has 10 tax-exempt clients on retainer and provided services to one other during the past year.

There are three professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include Retail Clerks Alameda County, Contra Costa County and Idaho Public Employees.

William R. Cottle and Robert I. Helliesen are client contacts.

Effron Enterprises Inc.

363 Westchester Ave., Port Chester, N.Y. 10573; (914) 939-0200

Effron Enterprises Inc. provides U.S. and international-global manager selection; performance measurement and additional performance analysis.

The firm also offers domestic and global manager data bases.

The firm provides a money manager data base, performance measurement and portfolio accounting to the investment management industry.

The firm has special expertise in manager search and evaluation, performance measurement, portfolio accounting, statistical analysis, hybrid and customized indexes and portfolio strategies. International investment theory and customized investment projects also are emphasized.

The firm has 130 tax-exempt clients on retainer.

There are 18 professional consultants. Fees are payable in both hard and soft dollars.

Steve Klein is the client contact.

Managers Scoreboard: Feb. 3.

Ennis, Knupp & Associates

10 S. Riverside Plaza, Suite 700, Chicago, Ill. 60606; (312) 715-1700

Ennis, Knupp & Associates provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international-global, real estate, venture capital, private placements, futures-options and GIC manager selection; performance measurement and additional performance analysis. Performance measurement also is offered on LBOs.

The firm also offers capital markets research, manager style analysis and investment policy planning. It has special expertise in foreign investments, currency hedging, real estate and venture capital.

The firm has 67 tax-exempt clients on retainer and provided services to 14 non-retainer tax-exempt clients during the past year.

There are 21 professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Georgia-Pacific, Chicago Police, Central Pension Fund (IUOE) and the MacArthur Foundation.

James F. Knupp is the client contact.

Evaluation Associates Inc.

200 Connecticut Ave., Norwalk, Conn. 06854; (203) 855-2200

Evaluation Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international-global, real estate, venture capital, LBO, private placements, futures-options and GIC manager selection, performance measurement and additional performance analysis.

The firm also offers profiles on more than 300 money managers and and a manager of managers investment strategy.

The firm provides domestic and international equity performance evaluation and attribution to the investment management industry.

The firm has special expertise in evaluating and selecting both traditional and non-traditional investment managers.

The firm has 85 tax-exempt clients on retainer and provided services to 16 non-retainer tax-exempt clients during the past year.

There are eight professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Colgate-Palmolive, Martin Marietta, Baltimore and Pennsylvania Public Schools.

Robert B. Mayerick is the client contact.

Fidelity Financial Group Inc.

4100 W. Flamingo Road, Las Vegas, Nev. 89103; (702) 871-8510

Fidelity Financial Group Inc. offers domestic equity, fixed-income and balanced searches.

The firm provides measurement reports, investment policy statements and manager searches to the investment management industry.

The firm has special expertise in manager searches and monitoring.

The firm has provided services to 40 non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in both hard and soft dollars.

Randy Garcia is the client contact.

Fiduciary Consultants Inc.

7733 Forsyth Blvd., Suite 1850, St. Louis, Mo. 63105; (314) 862-1000

Fiduciary Consultants Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international-global, real estate, venture capital, LBO, private placements, futures-options and GIC manager selection, performance measurement and additional performance analysis.

The firm also offers evaluation and selection of custodial, actuarial and administrative services and cost containment.

The firm has special expertise in securities transaction analysis and asset allocation.

The firm has 24 tax-exempt clients on retainer.

There are three professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include St. Louis Carpenters; Sisters of Mercy, St. Louis; City of Kirkwood and J. Henges Enterprises.

Brian L. Goding is the client contact.

Financial Guaranty Corp.

7600 France Ave. S., Edina, Minn. 55435; (612) 893-1334

Financial Guaranty Corp. provides GIC-BIC strategy analysis, issuer selection, credit analysis, portfolio structuring and liquidity analysis.

The firm has 10 tax-exempt clients on retainer and provided services to 24 non-retainer tax-exempt clients during the past year.

There are three professional consultants. Fees are payable in hard or soft dollars.

Tax-exempt retainer clients include Toro, Farmers Union Central Exchange and Minnesota Power.

Robert K. Richey is the client contact.

Gifford Fong Associates

1 Walnut Creek Center, 100 Pringle Ave., Suite 630, Walnut Creek, Calif. 94596; (510) 932-1910

Gifford Fong Associates, a subsidiary of Prudential, provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and GIC manager investment performance measurement and additional analysis.

The firm provides a full range of research and application of theoretical concepts to fixed-income and equity portfolio management strategies to the investment management industry.

The firm has special expertise in security valuation, immunization, indexing and performance attribution.

There are 15 professional consultants. Fees are payable in both hard and soft dollars.

Tina Norris is the client contact.

A. Foster Higgins & Co. Inc.

212 Carnegie Center, Princeton, N.J. 08543-5323; (609) 520-2480

A. Foster Higgins & Co. Inc., a subsidiary of Johnson & Higgins, provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international-global, real estate and GIC manager selection and performance measurement. Additional analysis is offered for U.S., international-global and GIC investments.

The firm has special expertise in GICs and GIC alternatives, savings plan investments, investment education and asset-liability modeling.

There are nine professional consultants. Fees are payable in hard dollars.

Brian C. Ternoey is the client contact.

Proxy season preview: March 30.

THE GLOBAL HORIZON CUSTOMER

To achieve the full power of your investment strategy, choose Global Horizon SM, State Street's complete array of financial asset services.

We have solutions for your present and future needs. From simple safekeeping to master global custody. From cash control to currency management. For regular or derivative securities. In established or emerging markets.

Design your own integrated global reports using the most advanced multi-currency accounting system available.

Wherever you invest, in whatever assets, Global Horizon can leverage your strategy. Call Frank Antin at 617/847-2511 to hear more.

State Street

State Street Bank and Trust Company, wholly-owned subsidiary of State Street Boston Corporation, 225 Franklin Street, Boston, MA 02110. (617) 786-3000. Offices in Boston, New York, Los Angeles, Toronto, London, Munich, Brussels, Luxembourg, Cayman Islands, Tokyo, Sydney, Melbourne, Hong Kong. Member FDIC. © Copyright State Street Boston Corporation, 1991.

Fund Evaluation Group
414 Walnut St., Suite 812, Cincinnati, Ohio 45202; (513) 977-4400

Fund Evaluation Group provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and international/global manager selection and performance measurement. The firm also offers insurance company consulting.

The firm has special expertise in not-for-profit organizations, religious organizations and insurance companies.

The firm has 80 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There are six professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Wolverine World Wide Catholic Relief Services, Indiana University and Michigan State University Foundation.

H. Bradley Eden is the client contact.

Gaston & Associates Inc.
840 Plaza West, 415 N. McKinley, Little Rock, Ark. 72205; (501) 661-1010

Gaston & Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. manager selection; performance measurement and additional analysis.

There are two professional consultants. Fees are payable in hard dollars.

The firm is also a broker dealer.

James E. Gaston and Jennifer W. Wilson are the client contacts.

Global Asset Management Associates Inc.
955 Park Ave., New York, N.Y. 10028; (212) 744-0640

Global Asset Management Associates Inc. provides development of international/global investment policies and objectives; development of appropriate asset allocation; and additional analysis. Analysis also is provided for venture capital and private placements.

The firm also analyzes performance measurement systems and manager performance.

The firm provides consultation and individual advice to the investment management industry.

The firm has special expertise in Europe and Japan.

The firm has three tax-exempt non-retainer clients and provided services to one non-retainer tax-exempt client during the past year.

There is one professional consultant. Fees are payable in hard dollars.

A.J. Warner is the client contact.

Griffin & Associates
6114 LaSalle Ave., Suite 294, Oakland, Calif. 94611; (510) 531-7977

Griffin & Associates provides development of investment policies and objectives and appropriate asset allocation. The firm offers U.S., private placements and GIC manager selection. Performance measurement is offered for GIC managers and additional analysis is available for U.S. and GIC investments. The firm also offers BIC consulting.

The firm has special expertise in design and implementation of both defined benefit and defined contribution plans. Specialized training programs are offered for human resources personnel as well as marketing SEP and SAR programs with investment professionals.

The firm has seven tax-exempt clients on retainer and provided services to 11 non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in both hard and soft dollars.

John J. Griffin is the client contact.

Hamilton & Co. Inc.
101 Carnegie Center, Princeton, N.J. 08540; (609) 452-0300

Hamilton & Co. Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection; performance measurement and additional analysis.

The firm also offers a monitoring and reconciliation service that checks all activities in the custodial and investment management area.

The firm provides domestic and international investment planning, organization and supervision to the investment management industry.

The firm has 50 tax-exempt clients on retainer.

There are 10 professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include the American Automobile Association, Fairfax County Educational Employees and UFCW District Union Local 1.

Susan C. Lohuis and Neil T. Johnson are client contacts.

Hamilton Consulting Services
2 N. LaSalle, Chicago, Ill. 60602; (312) 444-2108

Hamilton Consulting Services, a subsidiary of Household International, provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., manager selection; performance measurement and additional analysis. Performance measurement and additional analysis also is offered for international/global investments.

The firm has special expertise in investment policy development.

The firm has five non-retainer tax-exempt clients.

There are two professional consultants. Fees are payable in both hard and soft dollars.

The firm also has a full-service, broker dealer affiliation.

Barry K. Mendelson is the client contact.

Hammond & Hammond
P.O. Box 3567, Bellevue, Wash. 98009; (206) 451-2600

Hammond & Hammond provides development of investment policies and objectives as well as U.S. manager selection and performance measurement.

The firm has special expertise in Pacific Northwest manager selection.

There are two professional consultants. Fees are payable in hard dollars.

Craig Hammond is the client contact.

Robert Harrell Inc.
Lakeside Square, 12377 Merit Drive, Dallas, Texas 75251; (214) 934-7811

Robert Harrell Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, futures/options and GIC manager selection; performance measurement and additional analysis.

The firm has special expertise in asset allocation, performance enhancement and cost reduction.

The firm has 18 tax-exempt clients on retainer.

There are four professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include Associated Milk Producers, E-Systems, Ennis Business Forms and Trinity University.

Robert Harrell is the client contact.

Hewitt Associates
100 Half Day Road, Lincolnshire, Ill. 60069; (708) 295-5000

Hewitt Associates provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, futures/options and GIC manager selection, performance measurement and additional analysis. Performance measurement and additional analysis also is available for private placements.

The firm also offers asset/liability projections, trustee and custodian evaluation and selection and defined contribution plan consulting.

It has special expertise in manager monitoring, asset/liability studies and customized benchmark analysis.

The firm has 72 tax-exempt clients on retainer and provided services to 50 non-retainer tax-exempt clients during the past year.

There are 18 professional consultants. Fees are payable in both hard and soft dollars.

Other financial services provided are employee benefits consulting; compensation studies; defined contribution plan record keeping and administration; and international consulting.

Tax-exempt retainer clients include AMP, Upjohn, Hershey Foods and Southland Corp.

Ronald A. Jones is the client contact.

Higgins Associates Inc.
124 Mount Auburn St., Cambridge, Mass. 02138; (617) 864-8200

Higgins Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and international/global manager selection and performance measurement.

The firm has seven tax-exempt clients on retainer.

There are three professional consultants. Fees are payable in both hard and soft dollars.

The firm also provides a customized pool of mutual funds.

Tax-exempt retainer clients include Western Union and Conrail.

Mel Higgins is the client contact.

Holbein Robertson & Associates
15303 Dallas Parkway, Suite 485, Dallas, Texas 75248; (214) 458-3205

Holbein Robertson & Associates, a subsidiary of Holbein Associates Inc., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, futures/options and GIC manager selection and performance measurement. Additional analysis is offered for U.S., international/global, real estate, venture capital and futures/options investments.

It has special expertise in pension asset liability simulation and manager mix analysis.

The firm has nine tax-exempt clients on retainer and provided services to one non-retainer tax-exempt client during the past year.

There are three professional consultants. Fees are payable in both hard and soft dollars.

The firm provides a directed brokerage facility for plan sponsors on a best cost, best execution basis.

Tax-exempt retainer clients include Texas Teachers, Texas State Permanent School Fund, Louisiana Teachers and Stewart & Stevenson Services.

Richard Holbein is the client contact.

Ibbotson Associates Inc.
8 S. Michigan Ave., Suite 700, Chicago, Ill. 60603; (312) 285-1000

Ibbotson Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and international/global performance measurement and additional analysis.

The firm provides capital market returns data bases, software and specialty research and consulting to the investment management industry.

The firm has special expertise in analyzing the pension plan in the context of the "economic" balance sheet that considers pension assets and liabilities to be part of the firm's assets and liabilities in order to reduce risk.

The firm has 12 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There are six professional consultants. Fees are payable in both hard and soft dollars.

Other financial services provided are consulting to clients in contested economic matters, cost of capital consulting and management consulting.

Keith Getsinger is the client contact.

Institutional Fund Consultants Inc.
2423 American Lane, Madison, Wis. 53704; (608) 244-3541

Institutional Fund Consultants Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. manager selection; performance measurement and additional analysis.

The firm's areas of expertise include investment manager evaluation and structure, historical and ongoing performance evaluation, asset allocation studies, master trust and custodian evaluation and selection and mutual fund consulting.

The firm has 16 tax-exempt clients on retainer. It has provided services to seven non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include Bixby Medical Center, Painters District Council 6, Reid Memorial Hospital and Sedgwick James.

Gordon L. King is the client contact.

Institutional Property Consultants Inc.
4330 LaJolla Village Drive, San Diego, Calif. 92122; (619) 458-1120

Institutional Property Consultants Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. real estate manager selection, performance measurement and additional analysis.

The firm provides definition of investment policy statement and criteria; manager and adviser searches; performance monitoring and reporting; and due diligence on investment opportunities to the investment management industry.

The firm has special expertise in real estate.

The firm has 34 tax-exempt clients on retainer and provided services to six non-retainer tax-exempt clients during the past year.

There are nine professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include New York State Common Fund, California State Teachers, CSX and Stanford Management.

Barbara R. Cambon is the San Diego client contact. Paul H. Saylor and Mary I. Harris are the client contacts in Atlanta at (404) 261-8049.

InterSec Research Corp.
66 Gate House Road, Stamford, Conn. 06902; (203) 348-7101

InterSec Research Corp. provides development of investment policies and objectives; development of appropriate asset allocation; and international/global manager selection; performance measurement and additional analysis.

The firm provides international and global investment perspective and market statistics, including simulations, asset allocations, objective setting, style analyses, performance analyses, market research and multicurrency portfolio administration and accounting software to the investment management industry.

The firm has special expertise in the cross-border investment of tax-exempt funds worldwide.

The firm has 34 tax-exempt clients on retainer and provided services to 40 non-retainer tax-exempt clients during the past year.

There are 25 professional consultants. Fees are payable in both hard and soft dollars.

It also provides strategic business planning for international investment managers, including mergers and acquisitions.

Tax-exempt retainer clients include Connecticut, GE Investment, State Authorities Superannuation Board (Australia) and Caisse de Depot (Canada).

Arthur W. McCain Jr. is the client contact.

Investment Management Evaluation Service (IMES)
511 Union St., Suite 800, P.O. Box 2727, Nashville, Tenn. 37219; (615) 780-9360

Investment Management Evaluation Service (IMES), a subsidiary of Equitable Securities Corp., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection; performance measurement and additional analysis.

The firm provides independent performance confirmation by AIMR guidelines to the investment management industry.

The firm has special expertise in client education, interpretation of performance measurement and manager evaluation.

The firm has 48 tax-exempt clients on retainer and provided services to 10 non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in both hard and soft dollars.

The firm also provides a manager-of-managers investment vehicle.

Ward Cammack is the client contact.

Fixed income managers have waited long enough.

More critical information. More ways to examine and project portfolio structure and return. All easily and quickly accessible from your desktop. That's what makes the new CD/Investment™: Fixed Income from Lotus One Source® a powerful decision support system for fixed income portfolio management.

CD/Investment: Fixed Income provides price and descriptive information on over 35,000 fixed income issues from leading industry sources, a library of graphic issue and portfolio level analyses, and the ability to integrate all of this with your proprietary data and models.

Now for the first time, fixed income managers can have the same direct access to comprehensive databases and versatile analytical tools that Lotus One Source provides to equity investment managers worldwide.

Don't wait any longer. For more information and a first-hand look, call 1-800-554-5501.

It's time for Lotus One Source

Lotus One Source is a registered trademark of Lotus Development Corporation. CD/Investment is a trademark of Lotus Development Corporation.

Investment Performance Services Inc.
329 Commercial Drive, Suite 104, P.O. Box 15009; Savannah, Ga. 31416; (912) 352-2862

Investment Performance Services Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., real estate, futures/options and GIC manager selection, performance measurement and additional analysis.

It has special expertise in Taft-Hartley plans.

The firm has 42 tax-exempt clients on retainer and provided services to one non-retainer tax-exempt client during the past year.

There are four professional consultants. Fees are payable in both hard and soft dollars.

Other financial services provided are discount brokerage services.

Tax-exempt retainer clients include New York City District Council Carpenters, FELRA & UFCW Pension Fund and Operating Engineers of Connecticut.

John F. Statts is the client contact.

J&L Investment Services
501 N. El Camino Real, Suite A, San Clemente, Calif. 92672; (714) 498-5000

J&L Investment Services Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. manager selection, performance measurement and performance analysis.

The firm provides institutional-trading desk, referral and rebate and soft dollar services to the investment management industry.

The firm has special expertise in foundations and 401(k) plan selection and installation.

The firm has 15 tax-exempt clients on retainer and provided services to 32 non-retainer tax-exempt clients during the past year.

There are five professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include GTI, Knight Equipment, Pomona First Federal and Dart Transportation.

Thomas C. Jones is the client contact.

Johnston, Dragon & Associates
301 N. Harrison St., Suite 68, Princeton, N.J. 08540; (609) 497-1616

Johnston, Dragon & Associates provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, private placements, futures/options and GIC manager selection, performance measurement and additional analysis. Performance measurement and additional analysis also are available for venture capital and LBO investments.

The firm has eight tax-exempt clients on retainer.

There are three professional consultants. Fees are payable in both hard and soft dollars.

Charles L. Johnston is the client contact.

Ronald A. Karp Associates
47 Maple St., Summit, N.J. 07901; (908) 522-1414

Ronald A. Karp Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate and GIC manager selection. Performance measurement is offered for U.S. and real estate managers and additional analysis is available for real estate and GIC investments.

The firm has special expertise in real estate, asset allocation, international investments and GIC negotiations.

The firm has 15 tax-exempt clients on retainer and provided services to six non-retainer tax-exempt clients during the past year.

There are three professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Pennsylvania State Employes, L.A. Fire & Police, Ohio School Employees and Saatchi & Saatchi Holdings (USA).

Sheri L. Kole is the client contact.

Kauffman & Drebing
230 S. Broad St., Philadelphia, Pa. 19102; (215) 546-8016

Kauffman & Drebing provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. manager selection and performance measurement.

The firm has special expertise in consulting to mid-Atlantic clients.

There are two professional consultants. Fees are payable in hard dollars.

Other financial services provided include financial planning advice.

Neil B. Kauffman is the client contact.

W.T. Kennedy Inc.
33 Northwood Ave., Suite 10G, Atlanta, Ga. 30309; (404) 607-8080

W.T. Kennedy Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, venture capital, LBO, private placements, futures/options and GIC manager selection, performance measurement and additional performance analysis. Performance measurement and additional performance analysis also are offered for real estate managers.

The firm also offers staff educational training.

The firm has special expertise in manager selection, risk/reward analysis and rankings and customized universes of performance comparison for peer group risk/reward quartiles. Some 25 fundamental dollar-weighted descriptors are screened. Attribution analysis with time-weighted rates of return by 10 sectors within each portfolio also is offered.

The firm has 21 tax-exempt clients on retainer and provided services to 25 non-retainer tax-exempt clients during the past year.

There is one professional consultant. Fees are payable in both hard and soft dollars.

William T. Kennedy is the client contact.

KPMG Peat Marwick
345 Park Ave., New York, N.Y. 10154; (212) 872-5973

KPMG Peat Marwick provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection. Performance measurement is offered for U.S., international/global, real estate, venture capital, futures/options and GICs. Additional performance analysis is available for U.S., international/global, real estate, futures/options and GICs.

The firm also offers custodian bank searches.

Fees are payable in hard dollars.

The firm's consulting practice is supplemented by the firm's actuarial, insurance, cash management, real estate, tax and auditing practices.

Evelyn Morgner is the client contact.

Kruse, O'Connor and Ling
7320 Griffin Road, Suite 200, Ft. Lauderdale, Fla. 33314; (305) 791-5888

Kruse, O'Connor and Ling Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and GIC manager selection and performance measurement.

The firm also offers manager selection for mortgage-backed securities. It has special expertise on funding issues for Florida hospital, police, fire and general employees and on investment management firms active in Florida.

The firm has 30 long-term non-retainer tax-exempt clients and provided services to 20 non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in hard dollars.

Other financial services provided are administrative and actuarial services for plan sponsors.

Tax-exempt clients include Diocese of Palm Beach (Fla.), Pompano Beach (Fla.), Naples (Fla.) and Parrish Medical Center.

Robert J. Nagle is the client contact.

Laughlin Group of Cos.
12655 SW Center, Suite 280, Beaverton, Ore. 97005; (800) 547-3257

Laughlin Group of Cos. provides services exclusively to financial institutions, including development of investment policies and objectives; development of appropriate asset allocation; and GIC performance measurement.

The firm advises on the purchases of guaranteed investments for collective funds. It offers issuer credit analysis through its in-house credit review department. Staff members also are available to assist in marketing.

The firm has special expertise in GIC consulting.

There are six professional consultants. Fees are payable in hard and soft dollars.

William F. Gardner is the client contact.

Legg Mason Investment Consulting Group
111 S. Calvert St., Baltimore, Md. 21202; (301) 539-4692

Legg Mason Investment Consulting Group, a subsidiary of Legg Mason Wood Walker Inc., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate and GIC manager selection and performance measurement.

Fees are payable in hard or soft dollars.

William G. McVay is the client contact.

Lehrer Development and Investments
5555 Del Monte Drive, Suite 802, Houston, Texas 77056, (713) 552-1600

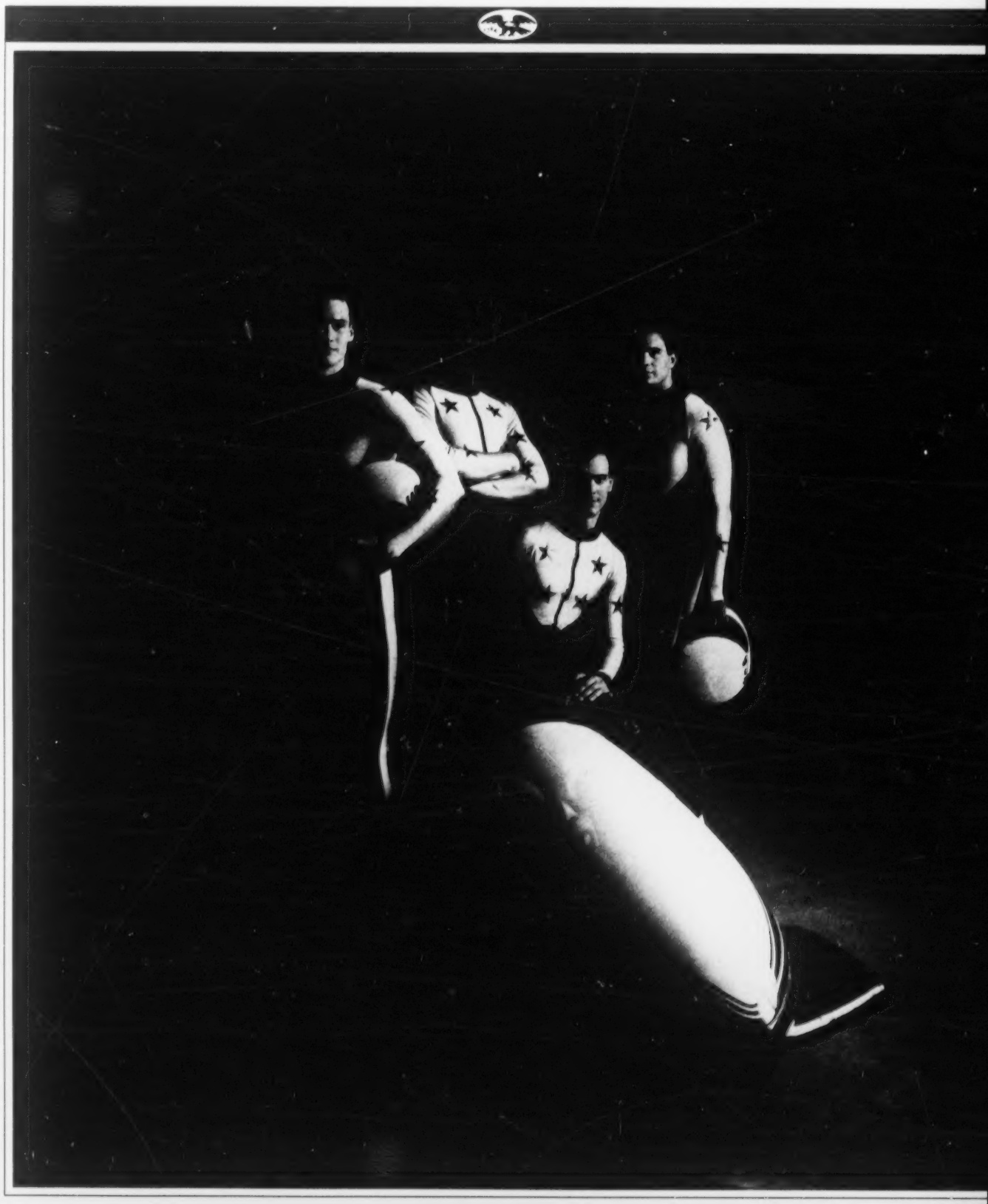
Lehrer Development and Investments provides development of real estate investment policies and objectives; development of appropriate asset allocation; and U.S. and international/global real estate manager selection, performance measurement and additional analysis. Additional analysis also is offered for venture capital and private placements.

The firm also provides real estate litigation support services.

It provides real estate and financial consulting to the investment management industry.

The firm has 12 tax-exempt clients on retainer and provided services to 12 non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are



payable in hard dollars.
Kenneth Eugene Lehrer is the client contact.

Lowry Consulting Group
2859 Paces Ferry Road, Suite 1900, Atlanta, Ga. 30339; (404) 431-1100

Lowry Consulting Group Inc., a subsidiary of Lowry Associates Inc., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global, real estate and options manager selection, performance measurement and additional analysis.
The firm has special expertise in asset allocation, liability analysis, performance attribution, utility pension plans and FAS 87 analysis.
The firm has 65 tax-exempt clients on retainer.
There are 11 professional consultants. Fees are payable in hard dollars.
It also provides an investment vehicle that uses a disciplined approach.
Tax-exempt retainer clients include Farley Industries, CSX, Baltimore Gas and Electric and CENTEX.
Victor A. Bell Jr. is the client contact.

Investing in the Americas will be spotlighted March 16.

Madison Portfolio Consultants Inc.
400 Madison Ave., Suite 810, New York, N.Y. 10017; (212) 753-2210

Madison Portfolio Consultants Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global, real estate, venture capital, LBO, private placements, futures options and GIC manager selection and performance measurement. Additional analysis is available for U.S., international global, real estate, futures options and GIC managers.
The firm also offers master trust custodial services, as well as education and advice on new investment strategies and Taft-Hartley issues.
The firm provides performance measurement services to the investment management industry.
It has special expertise in customizing and interpreting reports and helping clients meet objectives.
The firm has 15 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.
There are two professional consultants. Fees are payable in both hard and soft dollars.
Tax-exempt retainer clients include Carnegie Corp., IATSE National Pension Fund, Masonic Charity Foundation and National Fuel Gas Co.
Alan C. Weisenberg is the client contact.

Marco Consulting Group
54 W. Hubbard St., Chicago, Ill. 60610; (312) 527-4200

Marco Consulting Group provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., real estate, futures options and GIC manager selection and performance measurement. Additional analysis is offered for U.S., real estate and GIC managers.
The firm has special expertise in Taft Hartley, jointly-trusteed and multiemployer pension plans.
The firm has 55 tax-exempt clients on retainer.
There are six professional consultants. Fees are payable in both hard and soft dollars.
Tax-exempt retainer clients include IBEW-NECA, AFL-CIO and Service Employees International Union.
Jack Marco is the client contact.

James P. Marshall Inc.
10 Bay St., Suite 614, Toronto, Ontario M5J 2R8; (416) 361-0225

James P. Marshall Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global, real estate and futures options manager selection. Performance measurement is offered for U.S., international global and real estate managers. Additional performance analysis is available for U.S. and international global managers.
The firm specializes in Canadian investment consulting.
The firm has 32 tax-exempt clients on retainer and provided services to 10 non-retainer tax-exempt clients during the past year.
There are four professional consultants. Fees are payable in hard dollars.
Andrew Smith is the client contact.

William M. Mercer Asset Planning Inc.
1417 Lake Cook Road, Deerfield, Ill. 60015; (708) 317-7400

William M. Mercer Asset Planning Inc., a subsidiary of Marsh & McLennan Cos. Inc., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global, real estate, venture capital, LBO, futures options and GIC manager selection and performance measurement. Performance measurement also is offered for private placements. Additional performance analysis is available for U.S., international global, real estate, futures options and GICs.
The firm also offers performance attribution and transaction cost analysis. It has special expertise in asset liability modeling, performance interpretation and insured investment placement.
The firm has 357 tax-exempt clients on retainer and provided services to 141 non-retainer tax-exempt clients during the past year.
There are 78 professional consultants. Fees are payable in hard dollars.
Tax-exempt retainer clients include Cincinnati Bell, Arizona State, Wisconsin Electric Power and Major League Baseball Players.
Terry A. Dennison is the client contact.

MLC Associates
2 Barger St., Putnam Valley, N.Y. 10579; (914) 528-2244

MLC Associates consults in the fields of trust, custody, marketing and management.
For the investment management industry, the firm provides help in the establishment of a trust company and in selection and audit of custodians.
The firm has special expertise in trustee custodian selection, audit and fiduciary review.
There is one professional consultant. Fees are payable in hard dollars.
Michael L. Costa is the client contact.

The Monitor Group Inc.
7649 Leesburg Pike, Falls Church, Va. 22043-2520; (703) 821-6661

The Monitor Group Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and international global manager selection; performance measurement and additional performance analysis.
The firm has 10 tax-exempt clients on retainer.
There are three professional consultants. Fees are payable in hard dollars.
Tax-exempt retainer clients include Hoven Corp., ODMC Corp. and D. Fraser Ltd.
H.L. Hopewell is the client contact.

Morgan Keegan & Co. Inc.
50 N. Front St., Memphis, Tenn. 38103; (901) 524-4100

Morgan Keegan & Co. Inc., a subsidiary of Morgan Keegan Inc., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global, futures options and GIC manager selection and performance measurement. Additional performance analysis is available for U.S. and futures options managers.
The firm provides equity and fixed-income research to the investment management community. It has special expertise in manager selection and performance measurement.
The firm has 19 tax-exempt clients on retainer and provided services to 261 non-retainer tax-exempt clients during the past year.
There are six professional consultants. Fees are payable in both hard and soft dollars.
The firm provides a wrap fee program and the Southern Capital Fund, a mutual fund. Full broker/dealer services also are available.
J. Blake Taylor is the client contact.

New England Pension Consultants
253 Summer St., Suite 210, Boston, Mass. 02210; (617) 737-1960

New England Pension Consultants provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international global, real estate, private placements, futures options and GIC manager selection; performance measurement and additional analysis. Performance measurement and additional analysis also are available for venture capital and LBOs.
The firm also offers analysis on the impact of currency and country selection, stock and sector selection; policy impact vs. manager impact; current, projective and historic risk; and strategic vs. tactical asset allocation impact. It offers employee education for defined contribution plans.
The firm has special expertise in structured portfolios, FASB 87, hedging strategies, Taft Hartley and public fund consulting, custodial searches and socially restricted investments.
The firm has 65 tax-exempt clients on retainer.
There are six professional consultants. Fees are payable in both hard and soft dollars.
Richard M. Charlton is the client contact.

Noble Lowndes Asset Consulting Group
33 Evergreen Place, East Orange, N.J. 07018; (201) 677-4385

Noble Lowndes Asset Consulting Group, a subsidiary of Noble Lowndes, provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. and international global manager selection and performance measurement.
The firm has special expertise in serving pension funds with $2 million to $50 million in assets.
There are 15 professional consultants. Fees are payable in hard dollars.
The parent company provides employee benefit and actuarial consulting services.
Natalka Bukalo is the client contact.

Orben Associates Inc.
40 Wall St., New York, N.Y. 10005; (212) 269-9191

Orben Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., venture capital and private placements performance measurement.
The firm has special expertise in asset allocation

INSTITUTIONAL AND MASTER TRUST

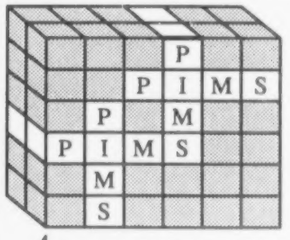
EVERYONE PUSHING FOR GREATER PERFORMANCE. THAT'S WHEN THE RESULTS REALLY SHOW.

When the goal is peak performance, nothing short of total commitment will do. Personally. Collectively. □ At Bank of Boston, our commitment to offering you the most thorough, prompt and custom-tailored solutions to your Institutional and Master Trust needs is exactly that – total. □ You'll see it in our people who are specialists. From the highly experienced Account Manager who has responsibility for your business, to the team of knowledgeable, dedicated professionals who administer all the details of day-to-day operations. □ You'll see it in the state-of-the-art facilities at our Securities Division headquarters in Canton, Massachusetts. We even created a unique Control Room that ensures quality by monitoring your account with 55 different check points. □ Most of all, you'll see it in the results. Like accurate and timely reports. The immediate resolution of issues. The innovative reporting formats that make your account activities data more useful to you. And one last result. The peace of mind that comes from knowing you're in the hands of experts. □ To learn more about our Institutional and Master Trust, talk to John Houlihan in the Securities Division at (617) 575-2171. □ For a commitment you can trust, rely on Bank of Boston's Institutional and Master Trust.

THE RIGHT PEOPLE. THE RIGHT MOVE.

BANK OF BOSTON
Put our strength to work for you.

Need a solution to your BACK–OFFICE Puzzle?



- Special mortgage–backed securities features including "good millions" pool allocations, "dollar roll" transactions, pool substitutions and fails
- On-line information for trading, settlements and portfolio management
- Settlement date and/or trade date–based reporting capability
- Query by example access to full transaction history of all securities option and hedges

4DAM
Established 1984
(407) 843–7110 Ext. 333
201 East Pine Street Ste. 600
Orlando, FL 32712

Visit us at FIM EAST in Booth 280

See a sneak preview of Version 2.0 and GOSPEL

and establishing investment objectives.
There are three professional consultants. Fees are payable in hard dollars.
Jack R. Orben is the client contact.

PaineWebber Inc.-Managed Accounts Services

1200 Harbor Blvd., Third Floor, Weehawken, N.J. 07087; (201) 902-3128

PaineWebber Inc. — Managed Accounts Services Department provides development of investment policies and objectives, and selection, performance measurement and additional analysis of U.S. managers. Performance measurement is available for international/global managers.
The firm provides quarterly performance monitoring, a technical center for manager searches, a dedicated trading desk and wrap-fee billing to the investment management industry.
It has special expertise in manager searches and due diligence.
The firm provided services to 3,300 non-retainer tax-exempt clients during the past year.
There are 100 professional consultants. Fees are payable in both hard and soft dollars.
The firm provides the following investment vehicles: PaineWebber ACCESS, PaineWebber Asset Management and Mitchell Hutchins Investment Advisory Portfolio Management Program.
Other financial services provided are investment banking advice, brokerage and insurance.
Jack Hanna is the client contact.

Peirce Park Group

2600 W. Seventh St., Suite A, Wilmington, Del. 19805; (302) 429-0982

Peirce Park Group provides U.S., international/global and real estate manager selection and performance measurement. Additional analysis is offered for U.S. and real estate managers.
The firm also offers post-retirement medical funding, fund structure and asset allocation services.
The firm has special expertise in post-retirement medical asset allocation studies.
There are two professional consultants. Fees are payable in both hard and soft dollars.
Michael W. Shone is the client contact.

Pension Consulting Alliance

12750 Ventura Blvd., Suite 102, Studio City, Calif. 91604; (818) 752-8444

Pension Consulting Alliance provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, private placements and futures/options manager selection and performance measurement. Manager selection also is offered for venture capital. Additional analysis is available for U.S., international/global and real estate managers.
The firm has special expertise in strategic planning, international, real estate and private placement consulting.
The firm has 10 tax-exempt clients on retainer and provided services to three non-retainer tax-exempt clients during the past year.
There are three professional consultants. Fees are payable in hard dollars.
Tax-exempt retainer clients include California Teachers, Connecticut, Illinois Investment Board and Colorado Fire & Police.
Dellene Arthur is the client contact.

Pension Investors Securities

1101 N. Lake Destiny Road, Suite 200, Maitland, Fla. 32751; (407) 875-3202

Pension Investors Securities Corp. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global and real estate manager selection and performance measurement.
It has special expertise in mutual fund selection, small- to medium-size pension plans and 401(k) programs.
The firm has 20 tax-exempt clients on retainer and provided services to 350 non-retainer tax-exempt clients during the past year.
There are 12 professional consultants. Fees are payable in both hard and soft dollars.
It also provides brokerage services.
Fred Forbes is the client contact.

Pension Portfolio Advisors

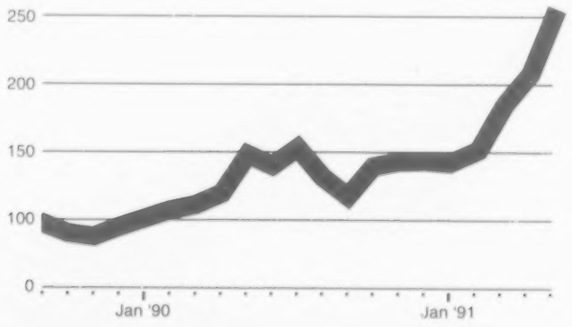
3 First National Plaza, Suite 1400, Chicago, Ill. 60602; (312) 372-2727

Pension Portfolio Advisors, a subsidiary of Royal Insurance Holdings PLC, provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, futures/options and GIC manager selection and additional analysis. Performance measurement is available for the above, as well as venture capital, LBO and private placement investments.
The firm also offers a quantified approach to risk tolerance, global asset allocation and manager structure consulting.
It has special expertise in assessing the risk tolerance profile of plan sponsors, and developing appropriate globally oriented asset allocation strategies; manager structure consulting; and domestic and international manager search and evaluation.
The firm has 511 tax-exempt clients on retainer and provided services to 23 non-retainer tax-exempt clients during the past year.
There are eight professional consultants. Fees are payable in both hard and soft dollars.
It provides a variety of investment vehicles.
Other financial services provided are consulting on employee-directed plan investment choices, investment vehicles and employee communication.
Tax-exempt retainer clients include CMI, Oakland County Employees, Royal Macabbees Life and Sheet Metal Workers Local 224.
Brian J. Murphy is the client contact.

Pension Realty Advisors

155 Sansome St., San Francisco, Calif. 94104; (415) 291-9000

Pension Realty Advisors Inc. provides development of real estate investment policies, objectives and appropriate asset allocation, as well as real estate and private placement manager selection and performance measurement. Additional analysis is offered for real estate.
The firm also offers real estate fund acquisition/disposition strategies, due diligence, investment strategy, portfolio management and securitization.
The firm has special expertise in private real estate funds and real estate capital markets research.
The firm has 10 tax-exempt clients on retainer.
There are three professional consultants. Fees are payable in hard dollars.
Paul S. Saint-Pierre is client contact.



This Isn't A Hot Stock. It's A Hot Economy.

Mexico's we mean.

Want proof? The Mexican stock market returned over 36% in dollar terms in 1990 alone, making it the hottest market in the world.

Debt market performance has also been outstanding. Mexican T-bills (Cetes), for example, returned over 25% in dollar terms in 1990.

There's a good reason for all this: Mexico's industrial production is up, trade restrictions have been eased and inflation is stable. Which means that while the economy is hot, it isn't overheated.

At Valores Finamex, we can help you profit from opportunities in Mexico as only one of Mexico's leading brokerage firms could.

Our clients benefit from our 17 years of experience investing in Mexico's equity and debt markets, combined with our extensive research capabilities. Which is why institutional investors come to us from all over the world.

And unlike many brokers who sell Mexican securities, we offer access to Mexico's markets that is free of intermediaries. Direct access we believe to be more cost-efficient to our clients.

To find out more, call 212-980-9500.

Or write for our equity and/or debt brochures: Valores Finamex International, 135 East 57th Street, New York, NY 10022.

You'll find that we can bring the performance of Mexico's markets a little closer to home.

VALORES FINAMEX INTERNATIONAL INC

Largest pension funds: Jan. 20

TORCH ENERGY ADVISORS INCORPORATED

"Providing Oil and Gas Management and Advisory Services to Institutional Investors Since 1981"

- Oil and Gas Reserve Acquisition Funds
- Specified Project Financings
- Oil and Gas Portfolio Management

Torch Energy Advisors Incorporated
1221 Lamar, Suite 1600 ♦ Houston, Texas 77010
(713) 650-1246 or 1-800-288-6724

Performance Analytics Inc.
30 S. Wacker Drive, Suite 1502, Chicago, Ill. 60606; (312) 930-9560

Performance Analytics Inc. provides development of investment policies and objectives, development of appropriate asset allocation; and U.S., international-global, real estate and GIC manager selection, performance measurement and additional analysis. Performance measurement and additional analysis is offered for futures-options managers. The firm also offers equity style tilting.

It provides asset allocation and style tilting information to a select group of investment managers.

The firm has special expertise in asset allocation and style tilting.

The firm has 262 tax-exempt clients on retainer.

There are seven professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Zenith Electronics, Whitman, Pet and Bell & Howell.

William G. Lowery is the client contact.

Plexus Group
606 Wilshire Blvd., Suite 310, Santa Monica, Calif. 90401; (213) 451-5075

Plexus Group provides U.S. manager performance measurement and additional analysis.

The firm's Alpha Capture service helps equity investor to better understand, evaluate and improve the implementation process. The firm also provides research, voting advice and full-service voting on proxy issues. Proxy record-keeping and monitoring services are offered.

The firm has special expertise in implementation shortfall analysis and proxy advisory services.

The firm has 18 tax-exempt clients on retainer and provided services to one non-retainer tax-exempt client during the past year.

There are five professional consultants. Fees are payable in both hard and soft dollars.

Edward C. Story is the client contact.

Prime Buchholz & Associates Inc.
1 Harbour Place, Portsmouth, N.H. 03801; (603) 433-1143

Prime Buchholz & Associates Inc. provides development of investment policies and objectives, development of appropriate asset allocation; and U.S., international-global, real estate, venture capital and GIC manager selection, performance measurement and additional analysis.

The firm has special expertise in endowment and foundation management.

The firm has 26 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There are four professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Boston College, Operating Engineers Local 98, University of Massachusetts and Rochester General Hospital.

William F. McCarron and Jon L. Prime are client contacts.

The Principal/Eppler Guerin & Turner
1445 Ross Ave., Suite 2300, Dallas, Texas 75202; (214) 880-8077

The Principal/Eppler Guerin & Turner provides development of investment policies and objectives, development of appropriate asset allocation; and U.S., international-global, real estate, venture capital and GIC manager selection, performance measurement and additional analysis.

The firm has special expertise in helping clients meet objectives in a cost-effective manner.

The firm has 21 tax-exempt clients on retainer.

There are three professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Dallas Employees, Dallas Area Rapid Transit, VIA Metropolitan Transit and Ericsson.

Marjorie Otte is the client contact.

Provident Monitor Group
3 E. Fourth St., Cincinnati, Ohio 45202; (513) 579-2826

Provident Monitor Group, a subsidiary of The Provident Bank, provides development of investment policies and objectives, development of appropriate asset allocation; and U.S. manager selection and performance measurement.

The firm also offers asset/liability analysis and has special expertise in asset/liability alignment.

The firm has 28 tax-exempt clients on retainer.

There are four professional consultants. Fees are payable in both hard and soft dollars.

It provides a combined manager-of-managers, custody and consulting service, as well as brokerage and custody.

Tax-exempt retainer clients include Ohio Police and Firemen, Great American Communications, IBEW Local 38 and Greater Richmond Transit.

Dennis M. Charlton is client contact.

Prudential Securities Inc./Investment Management Consulting Services
127 John St., 14th Floor, New York, N.Y. 10292; (212) 214-6554

Prudential Securities Inc. Investment Management Consulting Services, a subsidiary of Prudential Insurance, provides development of investment policies and objectives, development of appropriate asset allocation; and U.S., international-global, venture capital, futures-options and GIC manager selection and performance measurement. Performance measurement is also available for real estate managers, while additional analysis is offered for U.S. managers.

The firm has special expertise in manager search and structuring, performance measurement and with small- to medium-size pension plans.

The firm has 242 tax-exempt clients on retainer.

There are 46 professional consultants. Fees are payable in both hard and soft dollars.

An array of financial services also are offered.

Tax-exempt retainer clients include Universal Hospital Services, College of Idaho, Orange County Center of the Performing Arts and San Antonio Firemen and Policemen.

Frederick W. Weiss III is the client contact.

Quan-Vest Consultants
390 Plandome Road, Manhasset, N.Y. 11030; (516) 365-4619

Quan-Vest Consultants provides development of investment policies and objectives, development of appropriate asset allocation; and U.S., international-global, real estate, futures-options and GIC manager selection, performance measurement and additional analysis.

The firm provides computerized analysis of a 2,000 stock universe to the investment management industry.

When Ameritech needed a Master Trust who did they dial for information?

They were born a giant in the telecommunications field. But that didn't make it any easier to manage the eighth largest pension fund in the country. So Ameritech called up Harris Bank.

That's because the Harris approach to Master Trust planning is a flexible one. Rather than a preset service package, we offered Ameritech a custom-tailored plan to meet their specific needs. A plan that can be further adapted, as their needs grow and change.

This kind of cooperative planning means we do more than respond to requests. We initiate ideas. And offer expert help, not just from one source person, but from various levels of our Master Trust department.

For Ameritech, the Harris brand of flexible teamwork made the best Master Trust connection. See what we can do for you. Call our Marketing Representative at (312) 461-7956.

The Harris.
Move up to the Banking Lion.

Harris Trust and Savings Bank, 111 W. Monroe St., Chicago, IL 60603. Member FDIC, Federal Reserve System.

The firm has special expertise in providing multiemployer pension plans with the equivalent of an in-house investment supervision department.

The firm has 25 tax-exempt clients on retainer.

There are four professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include Uniformed Fire Officers Association, Hotel Trades Pension Fund, Hospital Workers, Laborers and Teamsters.

Anthony E. Lotruglio is the client contact.

Resource Advisory Inc.

1117 Perimeter Center W., Suite E302, Atlanta, Ga. 30338; (404) 394-9525

Resource Advisory Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection and performance measurement. Additional analysis is available for U.S., international/global, real estate and futures/options managers.

The firm also offers asset/liability modeling, development of fund structure with multiple managers, master trustee/custodian searches, defined contribution plan consulting and executive summary reports.

The firm has special expertise in investment planning and fund structure, performance evaluation and reporting, manager searches, and health care, endowment and foundation clients.

The firm has 25 tax-exempt clients on retainer and provided services to six non-retainer tax-exempt clients during the past year.

There are four professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Wake Forest University, Liberty Corp., Hanes and the Baptist Medical Centers.

Bernard Santa Maria is the client contact.

Richards & Tierney Inc.

111 W. Jackson Blvd., 14th Floor, Chicago, Ill. 60604; (312) 461-1100

Richards & Tierney Inc. provides development of investment policies and objectives, development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC performance measurement. U.S. manager selection and additional analysis for U.S. and international/global managers also are available.

The firm also offers manager allocation service and structure; dynamic completeness funds; benchmark portfolio design, development and maintenance; portfolio performance attribution; and portfolio risk analysis.

It provides benchmark portfolio design, development and maintenance and performance attribution for domestic and international equity managers.

The firm has special expertise in benchmark portfolios; performance attribution; manager allocation and structure; dynamic completeness funds; and investment policy development and implementation.

The firm has 17 tax-exempt clients on retainer.

There are seven professional consultants. Fees are payable in both hard and soft dollars.

The firm also serves internal equity managers.

Tax-exempt retainer clients include Ameritech, Owens-Illinois, State of Minnesota, Hughes Aircraft, Digital Equipment and Delta Airlines.

Thomas M. Richards and Maureen M. Culhane are the client contacts.

Rogers, Casey & Associates

85 Old Kings Highway N., Darien, Conn. 06820-1460; (203) 656-5900

Rogers, Casey & Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection; performance measurement and additional analysis.

The firm helps investment managers with strategic business planning and evaluating potential merger/acquisition candidates.

It has special expertise in alternative investments and tailoring investment programs to meet client needs.

The firm has 45 tax-exempt clients on its retainer list.

The firm also provided services to six non-retainer tax-exempt clients during the past year.

There are 30 professional consultants. Fees are payable in both hard and soft dollars.

Kenneth G. Rogers is the client contact.

The Brian Rom Corp.

860 Fifth Ave., New York, N.Y. 10021; (212) 724-7535

The Brian Rom Corp. provides development of investment policies and objectives and development of appropriate asset allocation.

The firm provides measurement and analysis of portfolio downside risk vs. standard deviation risk to the investment management industry.

The firm has special expertise in investment policy formulation, integrated asset/liability modeling, asset allocation and portfolio risk analysis.

The firm has provided services to 16 non-retainer tax-exempt clients during the past year.

There are two professional consultants. Fees are payable in both hard and soft dollars.

Brian M. Rom is the client contact.

Rowland, Carmichael Advisors

2809 E. Camelback Road, Suite 300, Phoenix, Ariz. 85016; (602) 955-1540

Rowland, Carmichael Advisors provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. manager selection, performance measurement and additional analysis.

The firm has 10 tax-exempt clients on retainer.

There are six professional consultants. Fees are payable in hard and soft dollars.

T. Rowland is the client contact.

Frank Russell Co.

909 A St., Tacoma, Wash. 98402; (206) 572-9500

Frank Russell Co. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, private placements and GIC manager selection and performance measurement.

The firm provides real estate and equity indexes, analytical software and asset/liability modeling to the investment management industry.

The firm has special expertise in performance measurement, research, asset allocation and manager research.

The firm has 40 tax-exempt clients on retainer.

There are 28 client executives. Fees are payable in both hard and soft dollars.

It also provides manager-of-managers funds through Frank Russell Trust Co. and Frank Russell Investment Management Co. It also provides discount brokerage through an affiliate.

Tax-exempt retainer clients include IBM, General Motors, AT&T and Xerox.

D. Don Ezra is the client contact.

Sage Development Resources Inc.

1621 18th St., Suite 110, Denver, Colo. 80202; (303) 294-0973

Sage Development Resources Inc. advises pension funds and investment managers with advisory services related to hotel/resort assets.

There are six professional consultants. Fees are payable in both and soft dollars.

Tax-exempt retainer clients include Prudential, Travelers, Equitable and John Hancock.

David T. Johnstone is the client contact.

John Scott & Associates

2942 State Highway 74, Suite 202, Evergreen, Colo. 80439; (303) 674-1655

John Scott & Associates provides development of investment policies and objectives; development of appropriate asset allocation; and U.S. manager selection, performance measurement and additional analysis.

The firm also offers performance evaluation and attribution of quantitative disciplines, such as strategic/tactical asset allocation and market neutral styles for other consultants.

The firm provides market risk analysis consulting, factor analysis newsletter and tactical asset allocation portfolio management disciplines to the investment management industry.

The firm has special expertise in strategic and tactical asset allocation and managers that perform these services.

The firm provided services to eight non-retainer tax-exempt clients during the past year.

There is one professional consultant. Fees are payable in both hard and soft dollars.

It also offers investment vehicles using active or passive overlay strategies.

John Scott is the client contact.

Segal Advisors Inc.

1 Park Ave., New York, N.Y. 10016; (212) 251-5490

Segal Advisors Inc., a subsidiary of Martin E. Segal Co., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection, performance measurement and additional analysis.

The firm also offers brokerage and master trust consulting.

The firm has special expertise in U.S. investment programs, including insurer-related company consulting, and real estate programs.

The firm has 80 tax-exempt clients on retainer.

There are 10 professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include American Cancer Society, American Bakers Association, Plumbers & Pipefitters National Pension Fund and Wyoming Retirement System.

Martin Levenson and Alan Miller are client contacts.

SEI Capital Resources

680 E. Swedeford Road, Wayne, Pa. 19087; (215) 254-1000

SEI Capital Resources, a subsidiary of SEI Corp., provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, and GIC manager selection, performance measurement and additional analysis. Manager selection is also available for venture capital and futures/options.

The firm also offers directed brokerage commission recapture, trading cost evaluation and portfolio

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

Bank of New York

in the sale of
16 East 34th Street
a 320,000 square foot office building in
New York, New York
to a
Partnership of
Loeb Partners Realty and S.L. Green Properties

Cushman & Wakefield
1166 Avenue of the Americas
New York, NY 10036

Nothing Succeeds Like Success

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

State of California Public Employees Retirement System

in the sale of
Lincoln Tower
a 315,000 square foot office building in
Denver, Colorado
to
Coventry Investors

Cushman & Wakefield, Inc.
410 Seventeenth Street
Denver, CO 80202

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

Tokyo Tatemono (U.S.A.), Inc.

in the acquisition of
2 North Lake
a 225,000 square foot office complex in
Pasadena, California
from
Trammell Crow Company

Cushman & Wakefield
515 South Flower Street
Los Angeles, CA 90071

A difficult market environment is separating those who can from those who cannot. Having experienced people who know and understand local market dynamics, combined with the ability to raise capital from those local markets or from around the world, separates Cushman & Wakefield's Financial Services Group from its competition.

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

Carl W. Summers, Jr.

in the sale of
Park Place on Turtle Creek
a 177,295 square foot office building in
Dallas, Texas
to
Park Place on Turtle Creek Ltd.

Cushman & Wakefield
5430 LBJ Freeway
Dallas, TX 75240

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

The Resolution Trust Corporation

in the sale of
Bradenton Financial Center
a 126,000 square foot office building in
Bradenton, Florida
to
BFC Joint Venture

Cushman & Wakefield
One Tampa City Center
Tampa, FL 33602

Proving once again in 1991
that success is measured
in closed transactions.

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY
Business America's Real Estate Firm

CUSHMAN & WAKEFIELD
A ROCKEFELLER GROUP COMPANY

is pleased to announce
it represented

Pacific Real Estate

in the sale of
28 West 57th Street
a 60,000 square foot office building in
New York, New York
to
Holy Property Company

Cushman & Wakefield
1166 Avenue of the Americas
New York, NY 10036

transition/liquidation services.

It provides general consulting, performance measurement, research, brokerage management, mutual fund management, private label mutual fund and cash and custody management through an affiliate to the investment management industry.

The firm has 84 tax-exempt clients on retainer.

There are 35 professional consultants. Fees are payable in both hard and soft dollars.

The firm provides international equity and active foreign currency investment vehicles.

Other financial services provided are comprehensive brokerage for listed equities, OTC equities, fixed-income and non-U.S. equities.

Tax-exempt retainer clients include State of Mississippi, Federal Express, Halliburton and the State of Oklahoma.

L. Charles "Duke" Meythaler is the client contact.

William F. Sharpe Associates

95 First St., Suite 215, Los Altos, Calif. 94022; (415) 941-3990

William F. Sharpe Associates provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global and futures/options performance measurement and additional analysis.

It also offers manager style analysis.

The firm provides licensed software products to the investment management industry.

The firm has special expertise in asset allocation and manager style analysis.

It has 10 tax-exempt clients on retainer.

There are four professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include AT&T, California Public Employees, United Technologies and the Virginia Retirement System.

William F. Sharpe is the client contact.

Jeffrey Slocum & Associates

430 First Ave. N., Suite 720, Minneapolis, Minn. 55401-1746; (612) 338-7020

Jeffrey Slocum & Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; pension asset/liability modeling; endowment asset/spending modeling; investment manager searches; and U.S., international, venture capital, LBO, private placement, futures/options and GIC consulting.

The firm also offers communication programs for defined contribution plan participants.

The firm has special expertise in asset allocation studies, asset/liability and endowment spending modeling, analysis and evaluation of non-traditional investments, and design of employee communications.

The firm has 64 tax-exempt clients on retainer and provided services to 19 non-retainer tax-exempt clients during the past year.

There are seven professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Great Lakes Protection Fund, Iowa Municipal Fire and Police, Marshfield Clinic and Minnesota Teamsters.

Jeffrey C. Slocum, Luke M. Collins and Erik L. Knutzen are client contacts.

Smith Barney, Harris Upham & Co. Inc.-Asset Consulting Evaluator

1345 Avenue of the Americas, New York, N.Y. 10105; (212) 698-6920

Smith Barney, Harris Upham & Co. Inc. — Asset Consulting Evaluator, a subsidiary of Primerica, provides development of investment policies and objectives and U.S. manager selection, performance measurement and additional analysis.

The firm has special expertise in plans with $500,000 to $10 million in assets.

The firm provided services to 1,000 non-retainer tax-exempt clients during the past year.

Fees are payable in hard and soft dollars.

A full array of financial services is offered through the firm's other divisions.

Ruth J. Harris is the client contact.

Southeastern Advisory Services Inc.

10 Piedmont Center, Suite 302, Atlanta, Ga. 30305; (404) 237-3156

Southeastern Advisory Services Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global, real estate, venture capital and GIC manager selection, performance measurement and additional performance analysis.

The firm has a proprietary data base on investment managers located in the Southeast.

The firm has 31 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt client during the past year.

There are three professional consultants. Fees are payable in both hard and soft dollars.

John L. Small is the client contact.

Stratford Advisory Group

500 W. Madison St., Suite 2960, Chicago, Ill. 60661; (312) 902-1985

Stratford Advisory Group Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, real estate, venture capital, LBO, private placements, futures/options and GIC manager selection, performance measurement and additional analysis.

The firm also offers quantitative performance measurement and qualitative manager evaluations.

The firm provides strategic asset allocation research, through an affiliate, to selected investment managers.

The firm has special expertise in strategic asset allocation, style-tilting within asset classes and qualitative manager evaluations.

The firm has 33 tax-exempt clients on retainer and provided services to eight non-retainer tax-exempt clients during the past year.

There are nine professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Knight-Ridder, Thiokol, the Art Institute of Chicago and Sheet Metal Workers' national fund.

Daniel A. Weiss is the client contact.

Irwin Tepper Associates Inc.

1 Gateway Center, Suite 815, Newton, Mass. 02158; (617) 244-6747

Irwin Tepper Associates Inc. provides development of investment policies and objectives and development of appropriate asset allocation.

The firm provides asset allocation and asset/liability consulting and software to the investment management industry.

The firm has special expertise in integrating asset/liability analysis.

There are two professional consultants. Fees are payable in both hard and soft dollars.

Irwin Tepper is the client contact.

Towers Perrin

950 E. Paces Ferry Road, Atlanta, Ga. 30326; (404) 365-1745

Towers Perrin provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, futures/options and GIC manager selection. Performance measurement is available for U.S., international/global and futures/options managers. Additional performance analysis is offered for U.S., futures/options and GIC managers.

The firm has special expertise in defined benefit plan asset policy development; defined contribution plan investment option selection; GICs and GIC substitutes; international investments; and manager structure.

There are 60 professional consultants. Fees are payable in both hard and soft dollars.

Roger C. Bransford is the client contact.

The Townsend Group

1419 W. Ninth St., Cleveland, Ohio 44113; (216) 781-9090

The Townsend Group provides development of investment policies and objectives, development of appropriate real estate asset allocation; and real estate manager selection, performance measurement and additional performance analysis.

The firm also offers property-specific due diligence, commingled fund exit strategies, workout and disposition analysis, budget and pro forma review, appraisal policies and procedures, development of separate account investment criteria, real estate research and the development of institutional real estate educational seminars and client "white papers."

The firm has special expertise in property-specific transactions.

The firm has 17 tax-exempt clients on retainer.

There are eight professional consultants. Fees are payable in hard dollars.

Tax-exempt retainer clients include BP America, Kansas Public Employees, San Francisco Employees and the UMWA.

Kevin W. Lynch is the client contact.

Tremont Partners Inc.

39 Pine St., New Canaan, Conn. 06804; (203) 966-4074

Tremont Partners Inc. provides development of investment policies and objectives; development of appropriate asset allocation; and U.S., international/global and private placements manager selection and performance measurement. Performance measurement is also available for real estate, venture capital, LBO, futures/options and GIC managers.

The firm also offers limited partnership, insurance products and offshore investment funds. It provides partnership and minority manager universes to the investment management industry.

The firm has special expertise in specialized and non-traditional products, minority firms and structuring products for insurance companies.

The firm has one tax-exempt client on retainer and provided services to three non-retainer tax-exempt clients during the past year.

There are four professional consultants. Fees are payable in hard and soft dollars.

The firm provides the following investment vehicles: U.S. Masters Fund Ltd., Minority Equity Trust, BT Co. Common CTF Fund, Shearson Advisors Fund, Advent Funds, Ultima L.P., Ultima Ltd., Shogun L.P., and Preferred Investment L.P.

Other financial services provided are marketing and investment banking advice.

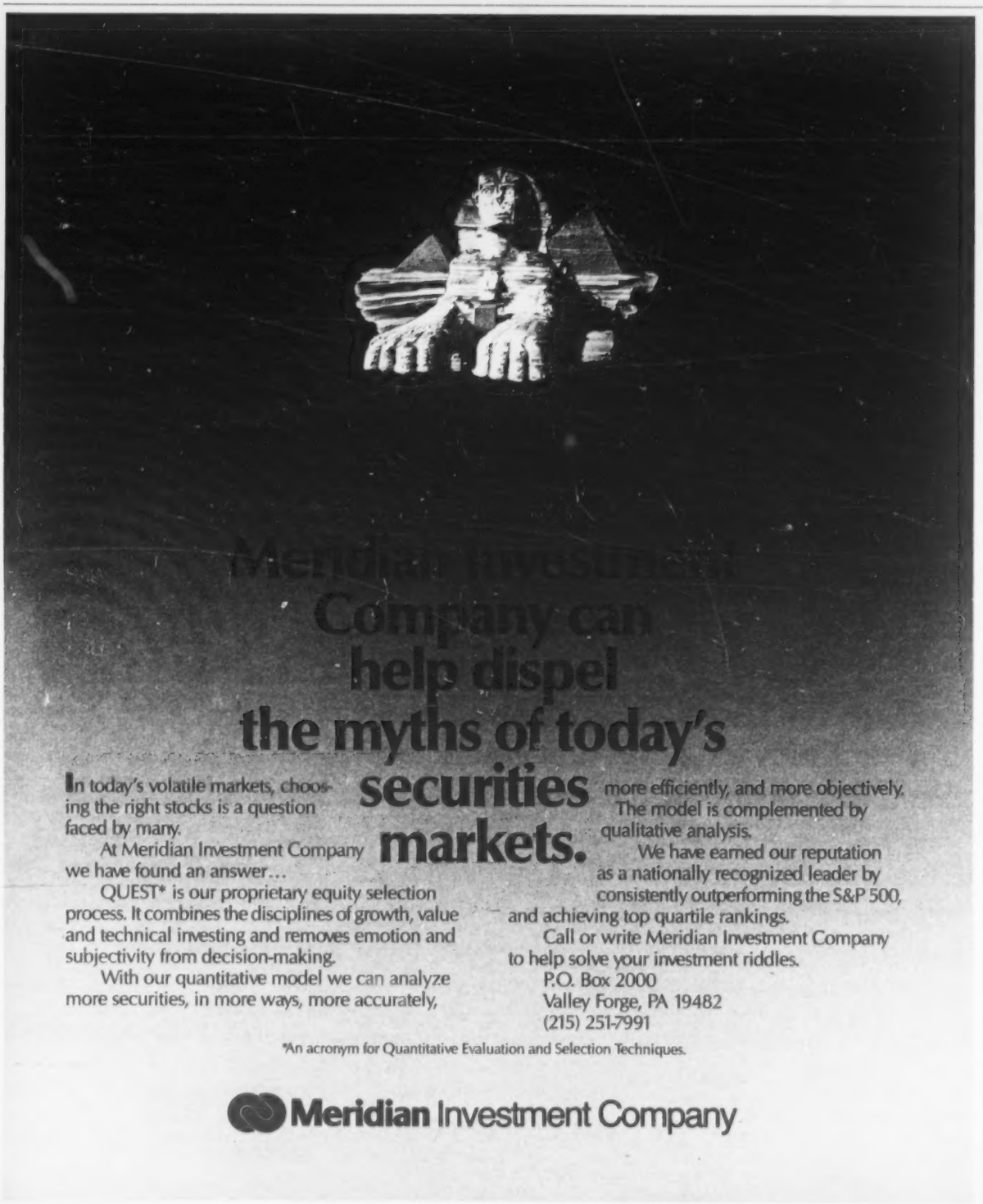
Sandra L. Manzke is the client contact.

Wellesley Group Inc.

800 South St., Watermill Center, Waltham, Mass. 02154; (617) 891-3636

Wellesley Group Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/

Continued on page 40


Meridian
Company can
help dispel
the myths of today's
securities
markets.
In today's volatile markets, choosing the right stocks is a question faced by many.
At Meridian Investment Company we have found an answer...
QUEST* is our proprietary equity selection process. It combines the disciplines of growth, value and technical investing and removes emotion and subjectivity from decision-making.
With our quantitative model we can analyze more securities, in more ways, more accurately, more efficiently, and more objectively.
The model is complemented by qualitative analysis.
We have earned our reputation as a nationally recognized leader by consistently outperforming the S&P 500, and achieving top quartile rankings.
Call or write Meridian Investment Company to help solve your investment riddles.
P.O. Box 2000
Valley Forge, PA 19482
(215) 251-7991
*An acronym for Quantitative Evaluation and Selection Techniques.
Meridian Investment Company

Demands

Continued from page 17

we're doing at what price."

One factor leading to this change is the widespread availability of technology and data bases, for many years the way consulting services distinguished themselves.

But now, "data bases have become utility," said Stratford's Mr. Kudish. For the price of software, sponsors can tap into bytes of knowledge previously the sole domain of consultants.

This has lowered fees for hardware and software and opened the door for smaller consulting shops, which are challenging the large, established consulting firms.

"You can't give boilerplate anymore," said Richard Holbein, whose small firm — Holbein, Richardson & Associates, Dallas — has drawn clients with a total of $40 billion in assets.

Among the consultants leaving established firms to strike out on their own are Mr. Davanzo, who left Wilshire this year to start his own firm; and Jim Beasley, who had been chief operating officer of Rogers, Casey & Associates Inc., Darien, Conn.

The low cost of computer technology has lowered the barriers to entering the business.

"There are more musical chairs going on," said Mr. Davanzo. "We didn't have a lot of places to go five years ago."

While niche players come and go with the changing popularity and utility of the niche, they still pry cracks in the wall of comprehensive consulting services.

"It places the emphasis on the ability of the people doing the consulting rather than the machine," Mr. Davanzo said.

But some pension officials question the effect those striking out on their own have on the firms they left.

"There's been so much change in the main consulting firms in the past five or six years. The replacements do not have the depth of expertise," said Duamel Vellon, administrator of the City of Phoenix Employees Retirement System.

The power of the computer has landed on the desktops of smaller firms, which do not carry the large overhead of the more established firms but are able to use resources of organizations like the Investment Management Consultants Association or the back-office help of a Wilshire Co-op, which has provided large data bases to fledgling firms. And with the growth of new firms, there is now even competition in this area. Bankers Trust has lured several members of the Co-op away with promises of better data bases.

"It's a lot easier for a small shop to be effective than it was 10 years go," said Russell's Mr. Phillips.

"It opens up opportunities for smaller firms to access certain clients that they may not have been able to access," said John Byrd, vice president of Rauscher Pierce Refsnes Inc., Dallas.

Client needs also are changing because of the prominent focus on defined contribution plans.

Investment policy work, due diligence and insurance carrier quality investigations all have increased.

"The parameters that determine success have changed quite a bit," said Brian Ternoey, a principal with A. Foster Higgins & Co. Inc., Princeton, N.J. "You're not dealing with an investment committee, you're dealing with plan participants. It changes what we put up before the clients."

"1991 was a watershed for that type of business," said TPF&C's Mr. Bransford.

Mr. Ternoey said it took until last year for many sponsors to realize the nature of defined contribution plans instills different factors into the process of manager selection.

"Taking the processes used in defined benefit consulting and selling it to defined contribution plans is like fitting a square peg in a round hole," he said. "It just didn't work."

Clients also are changing their attitudes toward soft dollars. They had proved popular, but past disclosures of soft-dollar controversies in Kansas, Wisconsin, Massachusetts and Pennsylvania have tarnished the image. Pension executives now are questioning the cost and the ethics of using soft dollars.

"Like any financial industry, the consulting industry has the potential for conflicts of interest," said Mr. Nesbitt.

"The role (soft dollars) played was to provide an off-balance sheet method of financing," he said. Soft dollars allowed plan sponsors to do things they might not otherwise be able to do, he said, like purchase supplementary reports and finance computer-related purchases.

"I think soft dollars are on their way out," Mr. Nesbitt said.

"The potential for litigation is substantial," said Rauscher's Mr. Byrd.

"In times of stress, people flee to quality and get away from controversial measures like soft dollars," said Mr. Bransford.

With all of the changes in client needs and their relations to the consultants, there is still, however, a common theme. And consultants agree, that theme will always be a key to continued success.

"Consulting is very much a relationship management, people business," said Jim Beasley. ■

Continued from page 38

global, real estate, venture capital and futures/options manager selection, performance measurement and additional performance analysis. Manager selection is also offered for LBO and private placements managers.

The firm also offers asset/liability studies, asset allocation implementation, performance attribution and peer group normalized portfolio studies.

The firm provides research projects to the investment management industry.

The firm has special expertise in asset allocation development and implementation, performance attribution, asset/liability studies and peer group normalized portfolio studies.

The firm has 40 tax-exempt clients on retainer and provided services to two non-retainer tax-exempt clients during the past year.

There are six professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Chicago Transit Authority, Washington University (St. Louis), Washington Suburban Sanitary Commission and Southwestern Medical Foundation.

Andrew D. Parrillo, Ned A. Joachimi and Pamela A. Joachimi are the client contacts.

Wilshire Associates Inc.
1299 Ocean Ave., Santa Monica, Calif. 90401; (213) 451-3051

Wilshire Associates Inc. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international/global, real estate, venture capital, LBO, private placements and futures/options manager selection, performance measurement and additional performance analysis. Manager selection and performance measurement are available for GIC managers.

The firm has 67 tax-exempt clients on retainer.

There are 11 professional consultants. Fees are payable in both hard and soft dollars.

Continued on page 42

Over $9 Billion of New Assets in 1991

The Reasons:

- Superior Performance
- Innovative Fixed Income Products
- Expertise in Mortgage, Asset-Backed, Convertible and High Yield Securities
- Experienced Professionals Utilizing Proprietary Securities Evaluation Techniques and Analytics

To learn more about First Boston Asset Management's investment philosophy and performance call Edward N. McMillan, President at (212) 909-4406.

FIRST BOSTON ASSET MANAGEMENT
A CS First Boston Company

Investment Advisors...

to employee benefit plans, foundations, endowments and substantial individuals.

Our basic investment philosophy — the prudent investment of assets in undervalued securities and special situations — was established a half century ago. This approach has preserved and appreciated capital over many market cycles.

David J. Greene and Company
Registered Investment Advisors

INSURANCE
INVESTMENT ADVISERS
ERISA PLANS • MUTUAL FUNDS
• Errors & Omissions
• Directors & Officers
• ERISA & Fidelity Bonds
• Pension Trustees Liability
Theodore Liftman Insurance, Inc.
FINANCIAL INSURANCE
1-800-752-0200

Continued from page 40

The firm also provides corporate finance advisory services.

Tax-exempt retainer clients include California Employees, Pennsylvania Employes, Texaco and Goodyear.

Stephen L. Nesbitt is the client contact.

The World Markets Co.
150 E. 52nd St., New York, N.Y. 10022; (212) 593-4747

The World Markets Co., a subsidiary of Bankers Trust Co., provides international-global manager performance analysis and risk analysis.

The firm provides performance evaluation to the investment management industry.

It has special expertise in attribution analysis for international-global portfolios and the ability to produce analysis in any designated currency against any benchmark.

Fees are payable in both hard and soft dollars.

Other financial services provided include a multi-currency accounting service.

Patricia Dunn is the client contact.

Wurts, Johnson & Co.
1111 Third Ave., Suite 1200, Seattle, Wash. 98101; (206) 622-3700

Wurts, Johnson & Co., an affiliate of Howard Johnson & Co., provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international-global, real estate and GIC manager selection; performance measurement and additional performance analysis.

The firm also offers 401(k) investment option analysis and selection.

The firm has special expertise in 401(k) option analysis and pooled fund manager selection, and asset/liability studies.

The firm has 94 tax-exempt clients on retainer and provided services to 104 non-retainer tax-exempt clients during the past year.

There are four professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Alaska Airlines, Nordstrom, Anchorage Police & Fire and Nevada Power.

William W. Wurts is the client contact in Seattle; Dale H. Stevens is the client contact in Los Angeles at (213) 623-3058.

Wyatt Asset Services Inc.
461 Fifth Ave., New York, N.Y. 10017; (212) 251-5538

Wyatt Asset Services Inc., a subsidiary of The Wyatt Co., provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international-global and GIC manager selection; performance measurement and additional performance analysis.

The firm also offers asset-liability modeling and trustee custodian selection.

The firm has special expertise in asset-liability modeling and global investment management consulting.

The firm has 103 tax-exempt clients on retainer and provided services to 434 non-retainer tax-exempt clients during the past year.

There are 107 professional consultants. Fees are payable in hard dollars.

Other financial services provided are benefits and compensation consulting through the firm's parent.

Asghar Alam is the client contact.

Yanni Bilkey Investment Consulting Co.
2500 Grant Building, Pittsburgh, Pa. 15219; (412) 232-1000

Yanni Bilkey Investment Consulting Co. provides development of investment policies and objectives; development of appropriate asset allocation; U.S., international-global, real estate, futures-options and GIC manager selection; performance measurement and additional performance analysis. Manager selection and additional performance analysis are also available for private placements managers. Manager selection is offered for venture capital managers.

The firm also offers proprietary software to permit detailed attribution analysis.

The firm provides GRID and CA$H statistical data bases to the investment management industry.

The firm has special expertise in hospital clients, enhanced data base services, GIC evaluation and mutual fund statistics.

The firm provided services to 13 non-retainer tax-exempt clients during the past year.

There are nine professional consultants. Fees are payable in both hard and soft dollars.

Tax-exempt retainer clients include Coopers & Lybrand, Carpenters' Union District Council, Wisconsin Power & Light and UniHealth.

James E. Yanni and Terry Bilkey are the client contacts.

COMPU-VAL INVESTMENTS, INC.

CREATING WEALTH
DISCIPLINED INVESTING

1953.1%
12 YEAR FULLY AUDITED

With over $300 million in managed assets, Compu-Val Investments, Inc. has successfully directed the financial future of its clients by emphasizing long-term strategies and stock value. A 17-year audited performance record of 19.5% reflects the favorable results of Compu-Val's consistent, conservative planning.

Call Compu-Val for sound strategies, proven methods and reliable results.

COMPU-VAL INVESTMENTS, INC.
Investment Advisors
1702 Lovering Ave.
Wilmington, Delaware 19806
1-(800)-VALUE 99

Equity managers put more into the market

By Fred Williams

Slow economic recovery coupled with low inflation and declining interest rates prompted equity money managers to reduce cash reserves to record lows in the third quarter.

At the end of the quarter, cash reserves dropped to 5% from 5.7% at the end of the second quarter, according to INDATA, a Southport, Conn., equity research service. The previous low was 5.4% at the end of the third quarter of 1976, INDATA data showed.

William T. Kennedy, an Atlanta pension consultant, said adjusted for the 5.3% increase in the Standard & Poor's 500 Stock Index, money managers to remain at the same level as in June should have held 5.43% equity cash reserves instead of the 5%, indicating a strong injection of cash into the equity market.

In addition, said Mr. Kennedy, 57% of money managers outperformed the S&P 500 for the first nine months of the year and during the third quarter were overweighted in the strongest performing sector of the stock market, financial stocks. Financials were up 37.3% for the year to date, compared with 20.4% for the S&P. Money managers held 12.8% of their portfolios in financial issues compared with 8.7% in the S&P.

The INDATA universe contains 1,205 institutional equity portfolios representing $200.5 billion.

While INDATA managers reduced equity cash reserves in the third quarter, the nine managers tracked by *Pensions & Investments* actually showed a slight increase in cash — to 10.6% Sept. 30 from 9.8% as of June 30.

Most of the managers tracked by *P&I* are relatively positive on the prospects for equities for the balance of 1991 and look for continued slow growth and declining interest rates as well as stable inflation.

"The stock market is still in an uptrend," said Eugene C. Sit, chief investment officer at Sit Investment Associates Inc., Minneapolis. As reasons, he cited a belief that interest rates will come down more, the Federal Reserve will continue to ease credit and inflation will remain stable at about 3.5%. "We believe the economy will show some recovery in the coming months and grow at a slow rate."

Sit kept its cash position of 5% between the second and third quarters in its $3.5 billion equity portfolio.

Lawrence J. Marks, managing director at Harbor Capital Management Co., Boston, said the economy has not yet emerged from the recession, "but we think it will early in 1992."

The economic recovery "will be slow enough to not pull a lot of money out of financial assets . . . and we are constructive for the equity market in coming months."

Harbor reduced cash to 3% to 4% in the third quarter from 7% in the second quarter. The firm manages $1.4 billion in equities.

Steve Koenig, principal at Informed Investors Group, a socially responsible investment firm in Seattle, said he believes consumer confidence should start to improve later this year and result in a strong stock market move by the end of December.

"I'd say we have another 10% to 15% more to go on the upside for the stock market. My feeling is more related to consumers and the market should react to that stronger consumer confidence," said Mr. Koenig.

The firm with the highest cash reserves was Equity Investment Corp., Atlanta, with 38% cash, up from 23% in June. The firm has $40 million under equity management.

James Barksdale, president and chief investment officer, said that while the yield on cash is low, some market participants have purchased stocks as a preferable alternative. But "at today's stock prices, the typical business can only generate a 4% operating return on the purchaser's initial capital. As a result, these buyers are accepting a lower return — plus greater risk — than cash." Money market funds are yielding slightly more than 5%, he said.

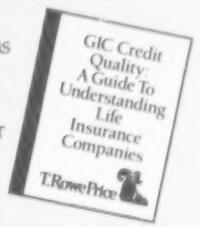
Other changes in equity cash by money managers tracked by *P&I* were:

- Hanson Investment Management Co., San Rafael, Calif., reduced equity cash to 5.2% from 7.5% in its $1.5 billion in equities under management.
- Lincoln Capital Management, Chicago, held its cash reserves constant at 9% from the end of the second quarter to the third quarter. Lincoln has $6.3 billion in equities under management.
- Schaenen Wood & Associates Inc., New York, increased its equity cash reserves to 20% at the end of the third quarter from 17% June 30. Schaenen Wood has $1.1 billion in equities under management.
- Benchmark Asset Management Inc., Houston, slightly reduced its cash to 2% at the end of the third quarter from 3% in the second quarter. The firm has $300 million equity portfolio.
- IDS Advisory Group Inc., Minneapolis, reduced cash reserves in its $4.4 billion equity portfolio to 1% to 3% from 6% to 8% June 30. ■

Confused about the quality of GIC issuers?

The financial stability of the life insurance industry has recently come under intense scrutiny. The many articles in the press, reporting conflicting opinions and statistics, have caused much confusion among plan sponsors and participants alike.

To help you better evaluate the current situation, we have prepared *A Guide To Understanding Life Insurance Companies*. It assists you in understanding what is more relevant, and what is less so, in judging the credit quality of life insurance companies.



T. Rowe Price has been committed to proprietary credit research for almost 20 years. With a team of specialists focusing exclusively on GICs and over $3 billion of GIC assets under management, we are one of the nation's most experienced discretionary GIC advisers.

As keeping pace with the GIC market presents new challenges, T. Rowe Price remains committed to helping you meet them.

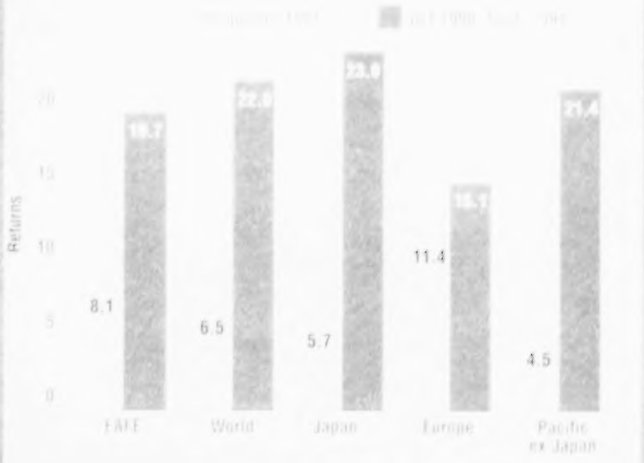
For your copy of the guide, call Keith Lewis at
1-800-422-2577

T.RowePrice

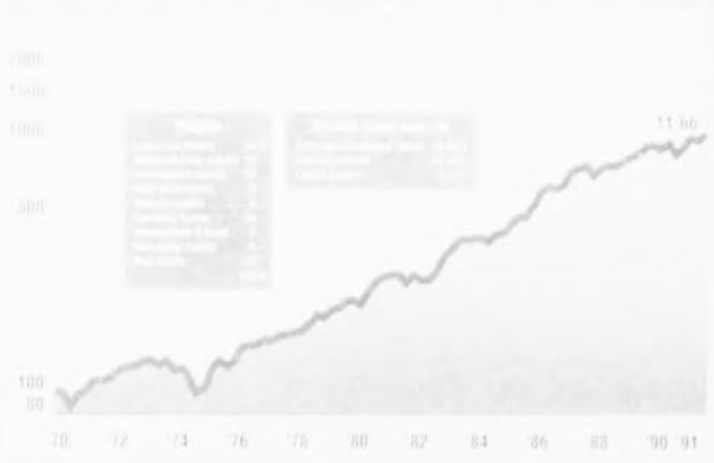
T. Rowe Price Guaranteed Asset Advisers, Inc.

STATISTICALLY SPEAKING

MSCI Worldwide indexes



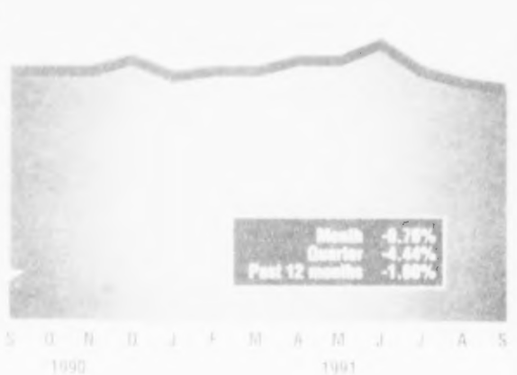
Multiple Markets Index



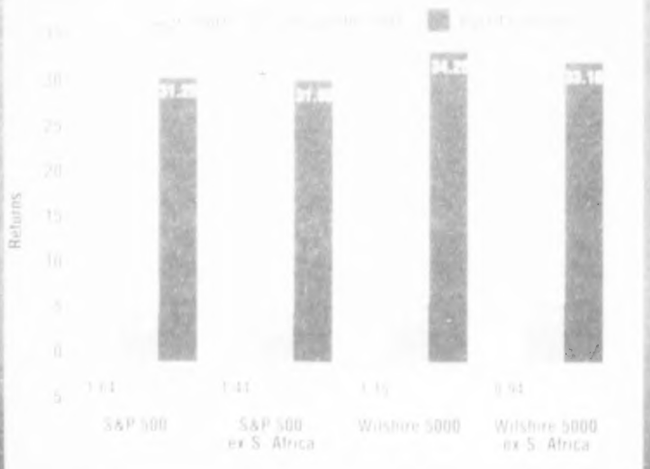
Russell indexes by economic sector

	Russell 3000	Russell 2000	Russell 1000
Autos & transportation	0.02 %	8.10 %	-0.50 %
Consumer discretionary	6.21	8.20	6.04
Consumer staples	9.25	4.30	9.31
Financial services	10.32	10.75	10.29
Health care	10.82	17.17	10.42
Integrated oils	4.40	11.29	4.27
Materials and processing	1.74	-0.84	1.98
Other energy	6.56	4.99	6.70
Producer durables	2.11	4.19	1.89
Technology	1.45	6.15	0.89
Utilities	7.78	10.37	7.71
TOTAL	6.30	8.15	6.16

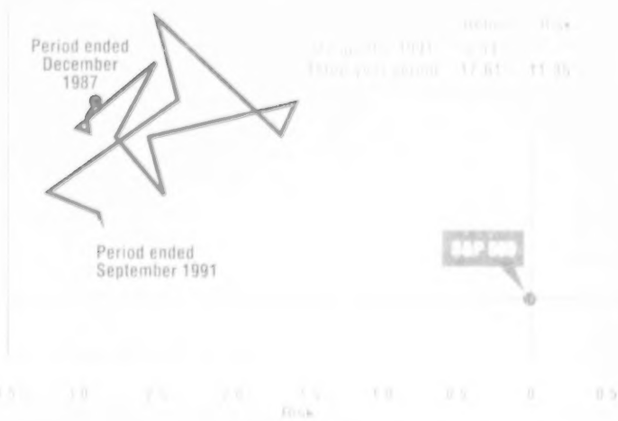
MLM Index



South Africa Free Index



An Efficient Index



BEST AVAILABLE COPY

Rates fall again in quarter

Downward spiral mirrors gentle easing of interest rates

By Anne Schwimmer

Guaranteed investment contract rates continued to drop in tandem with the Federal Reserve Board's interest rate easing during the third quarter.

As a result, GIC rates fell 100 basis points along with U.S. Treasury securities during the three-month period ended Sept. 30, according to John Knight, president of Lamberson Knight Inc., a Short Hills, N.J., GIC brokerage firm.

At the end of the third quarter, GIC rates were in the 7.65% to 7.94% range, he said. Spreads between five-year GICs and five-year Treasuries remained stable at about 70 to 90 basis points, Mr. Knight said, noting the rash of insurance company downgradings that plagued GIC issuers for most of this year seems to have eased up for now.

There were "more downgradings in (the third quarter) than in the previous two years," Mr. Knight said.

Despite the lull in downgradings, he said GIC investors are still engaged in a "flight to quality" and continue to have an appetite only for contracts issued by AA and AAA rated companies. But he predicted "investor confidence over the next year-and-a-half will start going up."

For example, "most people believe that most insurance companies will have taken care of their real estate problems by late 1992," Mr. Knight said.

The following insurance company rate quotes on bellwether five-year, single-deposit, simple-interest, $1 million GICs were provided by Lamberson Knight and GIC Inc., Beaverton, Ore. The first number is for late September, the second for late June:

- John Alden Life Insurance Co., Miami: 7.9 % vs. 8.9%.
- Allstate Life Insurance Cos., Northbrook, Ill.: 7.42% vs. 8.35%.
- Canada Life Assurance Co., Toronto: 7.4% vs. 8.23%.
- CNA Insurance Co., Chicago: 7.34% vs. 8.24%.
- Confederation Life Insurance Co., Atlanta: 7.67% vs. 8.63%.
- Connecticut Mutual Life Insurance Co., Hartford: 7.35% vs. 8.38%.
- Crown Life Insurance Co., Toronto: no quote vs. 8.59%.
- Hartford Life Insurance Co., Hartford: 7.10% vs. 8.23%.
- John Hancock Mutual Life Insurance Co., Boston: 7.49% vs. 8.25%.
- Life Insurance Co. of Georgia, Atlanta: 7.46% vs. 8.35%.
- Life Insurance Co. of Virginia, Richmond: 7.49% vs. 8.39%.
- Lincoln National Life Insurance Co., Fort Wayne, Ind.: 7.35% vs. 8.23%.
- New York Life Insurance Co., New York: 7.55% vs. 8.4%.
- Northwestern National Life Insurance Co., Minneapolis: 7.36% vs. 8.44%.
- Ohio National Life Insurance Co., Cincinnati: 7.6% vs. 8.59%.

William M. Mercer Asset Planning Inc., Deerfield, Ill., surveys insurance companies for rate quotations and provided the following summary of various bullet GICs for September 1991:

- Three-year, $1 million, compound: high, 7.55%; low, 6.04%; average, 6.84%.
- Three-year, $1 million, simple: high, 7.48%; low, 6.05%; average, 6.83%.
- Five-year, $1 million, compound: high, 8.51%; low, 6.94%; average, 7.74%.
- Five-year, $1 million, simple: high, 8.36%; low, 6.89%, average, 7.63%.
- Seven-year, $1 million, compound: high, 8.85%; low, 7.16%; average, 8.08%.
- Seven-year, $1 million, simple: high, 8.7%; low, 7.29%; average, 7.95%.
- Three-year, $5 million, compound: high, 7.6%; low, 6.2%; average, 6.9%.
- Three-year, $5 million, simple: high, 7.6%; low, 6.2%; average, 6.88%.
- Five-year, $5 million, compound: high, 8.51%; low, 7.25%, average, 7.8%.
- Five-year, $5 million, simple: high, 8.41%; low, 7.03%; average, 7.68%.
- Seven-year, $5 million, compound: high, 8.91%; low, 7.39%; average, 8.14%.
- Seven-year, $5 million, simple: high, 8.76%; low, 7.4%; average, 8.01%.

Mercer also surveys banks for rate quotes on their guaranteed instruments. Rates on one- and three-year bullet BICs for September were:

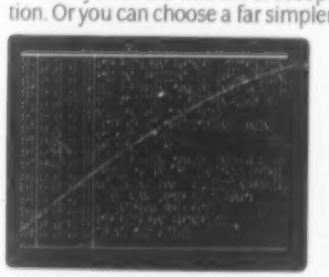
- One-year, $1 million, compound: high, 6.01%; low, 5.19%; average, 5.62%.
- One-year, $1 million, simple: high, 6.73%; low, 5.19%; average, 5.7%.
- Three-year, $1 million, compound: high, 7.21%; low, 6.41%; average, 6.77%.
- Three-year, $1 million, simple: high, 7.82%; low, 6.41%; average, 6.94%.
- One-year, $5 million, compound: high, 6.02%; low, 5.29%; average, 5.69%.
- One-year, $5 million, simple: high, 6.78%; low, 5.29%; average, 5.74%.
- Three-year, $5 million, compound: high, 7.28%; low, 6.51%; average, 6.84%.
- Three-year, $5 million, simple: high, 7.82%; low, 6.49%; average, 6.98%.

Schmidt Management Co., a GIC market research firm in Tulsa, Okla., has developed a guaranteed product performance measurement index. The Schmidt GIC composite index approximates the return of a continuous, equally weighted investment in one- to 10-year original maturity GICs. The index shows returns, not rates.

For the quarter ended Sept. 30, the Schmidt GIC Composite Index had a total return of 2.2%, compared with a 1.3% return by 90-day Treasury bills, 5.7% for the Standard & Poor's 500 Stock Index and a 5.4% return by the Merrill Lynch Government/Corporate Bond Master Index. For the year ended Sept. 30, the GIC Composite Index returned 9.2%. During the same period, 90-day Treasury bills returned 6.1%; the S&P 500, 31.2%; and the Shearson/Lehman bond index, 16%. ■

There is a way to get financial news faster. But it could involve a career change.

An accredited school of journalism can certainly instruct you in the fine art of scooping your competition. Or you can choose a far simpler method.



Get the latest news hot off a terminal, one that displays Dow Jones News Services.

Between these services and our flagship publication, *The Wall Street Journal*, we deploy a worldwide army of reporters who specialize in business and financial reporting.

Among the best known results of their efforts is the Dow Jones News Service, or the "Broadtape," which focuses on corporate developments and the stock market, and is acknowledged as the industry standard for speed and accuracy in financial reporting.

Then, because street rumors can wreak havoc on a portfolio, we quickly report their confirmation or denial via the Professional Investor Report (PIR). It monitors trading activity, alerts you to anything unusual, then follows up with the explanation.

For separate and exclusive reporting on both the fixed-income and financial-futures markets, there's the Capital Markets Report (CMR).

And since you can't be rooting out news everywhere in the world, we volunteer for the job. Our International Newswires focus on foreign exchanges and include the World Equities Report, which covers companies worldwide.

With this array of services, it isn't surprising that we get more vital news out first. And we get it out right. With amazing speed, our large staff of skeptics diligently checks every item before it's released.

So if you want to be first on the receiving end of real-time financial news, call 1-800-522-3567, Ext. 1104*. And find out about the various vendors through which you can get these services. Because after all, our job is getting the news. Yours is using it.

DOW JONES NEWS SERVICES
The lifeblood of business.™

*In New Jersey 609-520-8549 Ext. 1104 Dow Jones News Service is a registered service mark and Professional Investor Report, Capital Markets Report and World Equities Report are service marks of Dow Jones & Company, Inc. The Wall Street Journal is a registered trademark of Dow Jones & Company, Inc. © 1991 Dow Jones & Company, Inc. All Rights Reserved. 1944

Medicare

Continued from page 3

The bills are part of a congressional push in the area of health care reform. Passage is not likely this year, and the legislation may not be taken up until after the 1992 presidential elections.

A major hurdle to the Medicare legislation is the estimated annual cost of expanding the program — $25 billion through 1997. The substantial outlay would be funded through a payroll tax levied on workers nationwide, whether or not their employers offered retiree health benefits.

The benefits of the proposal would be concentrated among a few companies, even though most employers are straining under huge retiree medical obligations they must report on their balance sheets beginning in 1993.

"The bulk of these liabilities are concentrated in a relatively small number of large corporations," said Lawrence H. Thompson, assistant comptroller general, human resources division at the GAO. "Something like 4% of the companies actually offer (retiree health benefits). Forty percent of the work force was employed in these firms."

The companies that would benefit are those that have received the greatest tax subsidies in the past, said Rep. Nancy Johnson, R-Conn.

"I wouldn't say it would be a benefit to corporate America," said Howard C. Weizmann, president of the Association for Private Pension and Welfare Plans, Washington, at the hearing. "Employers with different demographics in their work forces would benefit differentially."

But labor supports the initiatives to lower Medicare age eligibility as a way to redirect compensation to wages and pensions from high-cost health benefits and to stave off further reductions in health care benefits that have left many early retirees with no medical care coverage.

By lowering the eligibility age, Mr. Thompson said, Medicare would become the primary insurer for workers who retire before age 65, and it would provide coverage for early retirees from companies that do not offer retiree health benefits.

Lowering the eligibility age also would reduce companies' pay-as-you-go costs, accrued liabilities and pre-funding costs for retiree health benefits, Mr. Thompson said. Companies' health costs for retirees covered by Medicare average about 70% less than their costs for retirees not covered by Medicare, he said.

By the GAO's estimation, lowering Medicare eligibility to age 60 this year would reduce companies' total 1991 pay-as-you-go costs of $11.4 billion by 35% or $4 billion.

The portion of companies' accrued liabilities for retirees, estimated at $132 billion in 1991, would decrease about 23% to $102 billion. The portion of companies' accrued liabilities for active workers, estimated at $203 billion in 1991, would decrease about 34% to $134 billion, according to GAO estimates.

If all companies had begun prefunding the cost of retiree health benefits in 1991, their costs would have dropped about 17% to $35 billion from $42 billion.

But some employers and the public would pick up the added cost, Rep. Johnson said.

"There would be a cost shifting to the public for about 70% of those costs" for retiree health care, she said.

One of the major sticking points at the hearing last week was employer concern that lowering Medicare eligibility would spur more workers to take early retirement, something companies are beginning to fear as the labor force ages and shrinks.

"Employers can encourage people to work longer by deferring or delaying the age at which they would have retiree medical protection," said Dallas L. Salisbury, president of the Employee Benefit Research Institute, Washington.

A Gallup poll conducted with EBRI showed that 64% of respondents said they would not retire without retiree medical benefits.

But employers' savings would enable companies to provide better wages and pension benefits, labor representatives said.

"Employer savings . . . would enable the redirection of benefit dollars back to wages and other important benefits such as pensions, now crowded out by retiree health care costs," said Meredith Miller, AFL-CIO assistant director of the department of employee benefits, at the hearing. "Unions and employers would benefit by pooling risks, spreading costs and matching benefit eligibility with the average retirement age of 60 years."

Another concern was whether lowering the Medicare age really would reduce employers' costs.

"Simply lowering the Medicare age from age 65 to 60 shifts some of those costs to the employers themselves in the form of higher utilization," Mr. Weizmann said.

To the degree that employers pick up expenses Medicare does not cover, employer costs could increase. ■

Zell

Continued from page 2

turn properties with the expectation of significant future growth to make up the difference," said Mr. Stephens. The Southern Cos. fund has about 5% of its assets in real estate.

The ZML II fund is expecting a total return of 15% to 20% over its life, said Mr. Phillips. The general partners will be putting in $25 million of their own assets.

Mr. Phillips said the fund won't be buying cheap, below-investment-grade properties.

Besides the ZML II fund, Contra Costa County and Southern Cos. hired additional real estate advisers. Southern Cos. hired AMB Institutional Realty Advisors, San Francisco; TA Associates Realty, Boston; and Metric Institutional Realty Advisors, San Francisco.

Southern Cos. allocated $80 million to AMB for a separate account of core portfolio real estate. TA Associates received $18 million for its Advent Realty Fund II and $14 million was given to Metric for its Apartment Fund II.

Contra Costa County allocated $10 million to Metric for its Apartment Fund II.

Some pension officers, meanwhile, are fielding offers from property owners. "We're swamped. This morning alone I received nine telephone calls" from owners offering properties for sale, said Paul Fanfero, an investment officer with the $26 billion Wisconsin State Investment Board. He said many owners are aggressive because of the lack of buyers as a result of a scarcity of financing and liquidity in the current economy.

He said he is focusing on buying interests in retail malls that are dominant "quasi-monopolies." He said the difficulty in buying dominant malls often concerns who will control the malls after purchasing a joint venture interest.

To help identify potential properties for purchase, the Wisconsin fund recently hired Jones Lang Wootton Realty Advisors, New York; The Yarmouth Group Inc., New York; Aldrich Eastman & Waltch, Boston; and JMB Institutional Realty Corp., Chicago, as separate account advisers.

Mr. Fanfero said none of the new advisers was allocated a set amount of money. They will bring properties for consideration to the pension staff.

The Wisconsin fund also dropped Equitable Real Estate Investment Management Inc., New York, as an acquisitions manager. However, Mr. Fanfero said, Equitable will continue to manage some properties in the fund's real estate portfolio, which accounts for about 4% of assets.

While the $4.2 billion Los Angeles Fire & Police Retirement System is seeking a core real estate manager, the fund might do "opportunistic" buying at a later date, said Dennis Sugino, chief investment officer.

The Los Angeles fund has about 5% of its assets in real estate.

The $4.2 billion Nevada Public Employees Retirement System, Carson City, allocated another $35 million to the $500 million Core Group Trust real estate fund, which is managed by Lehndorff & Babson Real Estate Counsel, Dallas.

Laura Wallace, investment officer with the Nevada fund, said the retirement system has about 8.5% of assets in real estate. ■

Professional Marketplace

To place a classified ad call Jeanne Delagardelle (312) 649-5277

Business Opportunities

Matuschka & Co., a Frankfurt, Germany/Greenwich, Connecticut based international investment manager (currency overlay) seeks minority-, women-, and disabled veteran-owned business firms to provide the following: investment management research, foreign exchange trading and administrative services. Please contact: **Mr. Christopher J. Carey, Director, Matuschka & Co., 15 Valley Drive, Greenwich, Connecticut 06831.**

M-WATCH PERFORMANCE REPORTING SYSTEM

Calculate time weighted returns with index, market cycle, universe, attribution and risk analysis comparisons. PC based with customized text and graphic output. For further info or a free Limited Version call: **Mobius Group, Inc. (800) 662-4678.**

INVESTMENT MANAGER INFO M-SEARCH DATABASE SYSTEM

775+ managers, 2200+ composites, easy to use, PC based system includes software and quarterly data. For further info or a free Limited Version call: **Mobius Group, Inc. (800) 662-4878.**

New York-based global asset management firm seeks minority, women and disabled veteran business enterprises with global currency/derivative trading or research capabilities. Interested parties should send material describing their qualifications. **Please fax your response to (212) 605-3033** or reply in writing to: **Angela LaBarca, London & Bishopsgate International, Inc., 866 Third Avenue, 28th Floor, New York, New York 10022.**

Business Opportunities

J.P. Morgan Investment Management is interested in being contacted by minority and women owned enterprises that can provide services to our organization in connection with currency overlay management. Please respond by contacting us at **(212) 837-2239** or by sending information regarding the services or materials your firm has to offer to:

Thomas Moogan
Assistant Vice President
J.P. Morgan Investment Management
522 Fifth Avenue
New York, NY 10036

Bridgewater Associates, Inc., a currency overlay manager, seeks minority-, women-, and disabled veteran-owned businesses to provide foreign exchange research, trading, or administrative services. Send information to: **Bridgewater Associates, Inc., 372 Danbury Road, Wilton, Connecticut 06897 or Fax to (203) 762-2615.**

Minority/Female/Disabled Veterans

The Chase Manhattan Bank, N.A. is a provider of custody, accounting and recordkeeping services for pension funds and is interested in seeking relationships with minority, female and disabled veteran business enterprises capable of providing supporting services to our organization. Interested parties should contact:

Mr. John Whitemen
The Chase Manhattan Bank, N.A.
1 New York Plaza, 17th Floor
New York, NY 10081
(212) 676-0051

Positions Available

INSTITUTIONAL SALES

Alan B. Slifka and Company, a premiere investment management firm is looking for an energetic and talented sales professional with understanding of the institutional marketplace and a successful track record of sales to pension funds, foundations and endowments. Experience in marketing non-traditional assets a plus.

Guaranteed first year income with potential for high incentive-based income. Please fax resume to: **212/935-1831** or mail to: **N. Fox, Alan B. Slifka and Company, 477 Madison Avenue, New York, New York 10022.**

Software Guide

GUIDE TO REAL ESTATE & MORTGAGE BANKING SOFTWARE

6th ed. 600 1-page reports. X-indexed. **Real Estate Solutions, Inc. Washington, D.C. 800/633-1546**

Consultants

MARKETING CONSULTANT

Could I help your money management firm build assets under management and fee income?
Larry Osgood (214) 262-9737

GET RESULTS! ADVERTISE IN THE PROFESSIONAL MARKETPLACE

Proxy Solicitation

SHAREHOLDER PROPOSALS
Garland Associates, Inc.
P.O. Box 6623
Grand Central Station
New York, New York 10163
FAX 212-866-1599

Pensions & Investments targets its circulation to the most powerful corporations and institutions. With a classified ad in the **Professional Marketplace** your message will be noticed by the people who count most.

For information call Jeanne Delagardelle at **312/649-5277.**

Advertising Rates And Deadlines

Display Ads are $224 per column inch. Frequency and size discount rates are available. Contact your Pensions & Investments ad representative.

Straight Classified Ads are $18.00 per line. Minimum of 5 lines. Count 40 characters per line (include all spaces and punctuations).

Blind Box Numbers are available to provide advertiser confidentiality. Replies forwarded upon receipt. For blind box numbers, add the cost of two lines ($34.00).

Replies to Blind Box Ads should be addressed to: P&I Classified, Box # , Pensions & Investments, 740 Rush St., Chicago, IL 60611.

Deadline for camera ready material is Monday, 7 days prior to publication date. Display and straight ads to be typeset, must be received in Chicago by Friday, 10 days prior to publication. Copy submitted for straight ads must be typewritten/printed, and prepaid. Send copy and payment to:

Jeanne Delagardelle
Pensions & Investments
740 Rush St.
Chicago, IL 60611